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TODAY:
STAGE
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U.S. Urges New Threat To Belgrade Of Air Strikes

Massacre in Kosovo Prompts Reassessment Of Western Strategy

By Joseph Fitchett
International Herald Tribune

PARIS — The United States urged its NATO allies Tuesday to reinstate their threat of air strikes against Serbia as the Alliance's top military officers met in Belgrade with President Slobodan Milosevic to press international demands over Kosovo, including an independent international investigation of the massacre of 45 ethnic Albanians there last week.

"It is a turning point for the West on Kosovo," a NATO ambassador in Brussels said, explaining that allied gov-

ernments were grappling with the need for new policies, perhaps including military force beyond air strikes in the wake of the Serbian defiance of the cease-fire agreement reached in October.

Insisting on the need for broader concessions, the U.S. national security adviser, Samuel Berger, said in Washington that Belgrade must pull out more forces from Kosovo to meet the ceilings set in October.

"That 'very blunt message,'" he said, was given to Mr. Milosevic by General Wesley Clark, the commander of allied forces in Europe, and General Klaus Naumann, chairman of NATO's military committee.

If Mr. Milosevic resists, "NATO's plans are still very much on the table and the threat of force is very much an option," Mr. Berger told CNN television.

After the two generals report to NATO headquarters, the main Western countries will meet with Russia to discuss the crisis, then pursue consultations before a meeting next week of the European Union foreign ministers.

"The problem we're all facing is that Mr. Milosevic forces us to launch air strikes, we have to be ready with what we're going to do the next day — including the possibility of sending in ground forces," said the NATO ambassador, who requested anonymity.

Calls for a new Western strategy also came from President Jacques Chirac of France as U.S. officials acknowledged that the October cease-fire had prevented a humanitarian disaster in Kosovo but had not convinced Mr. Milosevic to grant political autonomy to the Serbian province's ethnic Albanian majority.

Serbian political stone-walling was the cause of the increasing violence in Kosovo that culminated Friday in a massacre of civilians, James Rubin, the State Department spokesman, said Tuesday. He added that the United States had asked NATO members to reverse their decision suspending the "activation order" for air strikes last October.

To avoid attacks now, Mr. Rubin indicated, Belgrade needed to bring to justice the people responsible for ordering the massacre, as well as those who carried it out. As part of the process, Mr. Rubin said, Louise Arbour, head of the international court of justice, needed to be allowed to investigate the crime. When she sought to enter Kosovo on Monday, she was turned away by Serbian border guards.

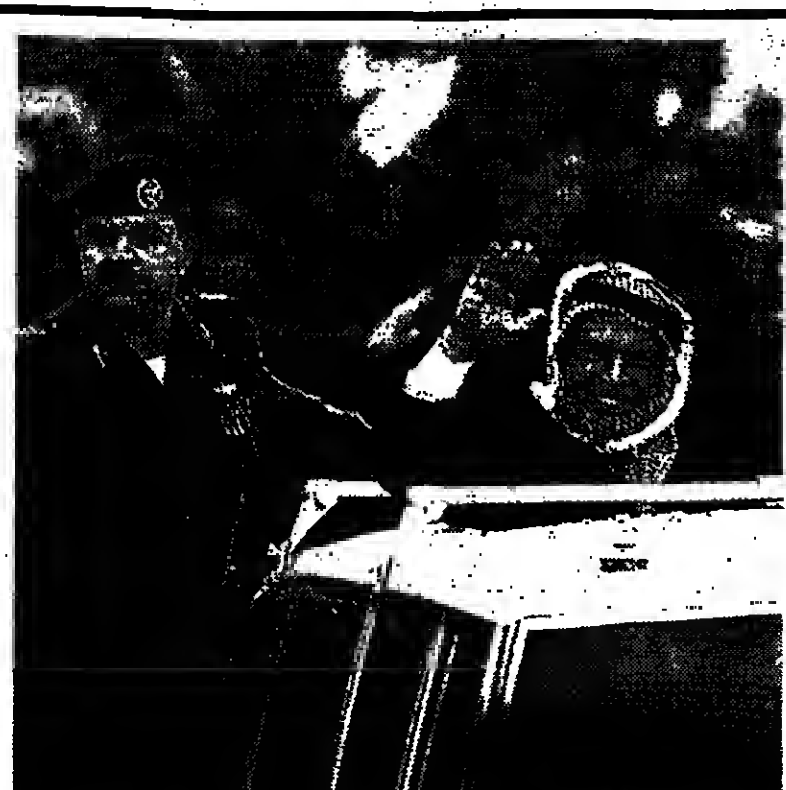
Mr. Rubin said that Belgrade also needed to reverse its decision to oust the head of the international observer force in Kosovo, William Walker, who on Tuesday received a 24-hour extension of the expulsion order issued against him the day before. On Monday, he had been given two days to leave the country after he bluntly blamed Serbian forces for the massacre of ethnic Albanians at Racak.

A U.S. diplomat, Mr. Walker runs the multinational group of civilians monitoring the cease-fire on behalf of the Organization for Security and Cooperation in Europe, whose role was accepted by Mr. Milosevic in October.

Yugoslav Denies Massacre

The head of the Yugoslav forensic team examining the bodies of the ethnic Albanians who the West says were massacred by Serbian policemen said Tuesday that they bore no signs of having been executed. Reuters reported from Pristina, Serbia.

"Not a single body bears any sign of execution," Sasa Dobricanin said. "The bodies were not massacred."



King Hussein waving to crowds in the streets of Amman on Tuesday.

Jordan's King Back Home

'A Lot to Be Done,' He Says, Amid Acclaim

By Howard Schneider
Washington Post Service

AMMAN, Jordan — King Hussein returned Tuesday from his intense and apparently successful six-month battle with cancer at a U.S. clinic, and he was greeted by a festive throng that filled the streets of this city in winter chill and a rare rainstorm to sing, dance, shout in loud Arabic trills and mark the homecoming of one of the world's longest-serving heads of state.

Accompanied by eight fighter jets, the king, piloting his own plane, touched down just before 3 P.M., ending an extended absence that triggered talk about the country's and the Jordanian monarchy's ability to cope without its charismatic leader.

In a business suit and red Bedouin kaffiyeh, looking aged from his chemotherapy treatment but smiling broadly, the king left his plane, closed his eyes and bowed to the ground in prayer before navigating a reception line of family members, politicians and regional leaders.

"There is a lot to be done," from foreign policy challenges like the peace process with Israel to domestic issues like a critical water shortage, King Hussein, 63, said in brief comments to reporters. "It is a continuous struggle with me. It has been 40-plus years, so every now and then we review and see what needs to be done to make people feel more confident in

their future." After low-key welcoming ceremonies at a central Amman airport, the monarch, eschewing a protective hubble-vehicle like the one used by the Pope, instead boarded a cream-colored Mercedes limousine, stuck his head through the sunroof, and embarked on a rancorous, flag-waving, hand-clapping, firecracker-popping motorcade through the streets.

The euphoria could be felt along the capital's main boulevard, bedecked for days with lights, signs, and large photo portraits of the man who led Jordan's evolution from the largely Bedouin, desert country he inherited in the early 1950s to a regional model of political stability and evolving economic and political modernization.

Not all of his policies have been popular. A peace treaty with Israel still ruffles many here, particularly among the majority of Jordanians of Palestinian ancestry, and there are those who feel the king has shirked the duties of a larger, more high-profile diplomatic missions. Nor has his rule all been peaceful: He brutally quelled an uprising of Palestinians in 1970.

But as a man, a dear father-figure and a monarch, he remains widely popular. Since he disclosed last summer the return of a disease that had been treated five years earlier, Jordan

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Clinton Lawyers Open Defense

'Witches' Brew of Charges' Is Assailed in the Senate

By Brian Knowlton
International Herald Tribune

WASHINGTON — White House lawyers opened their defense of President Bill Clinton on Tuesday with a sharp attack against the "witches' brew of charges" that they said had been brought against him and a vow to demonstrate "beyond any doubt" that the Senate had no basis to convict him and no business to remove him from office.

The White House opened its presentation at a moment both crucial and awkward — three days after the 13 House prosecutors concluded what many senators called a powerful argument against Mr. Clinton, but just hours before he was to deliver his annual State of the Union address.

The chief White House lawyer, Charles Ruff, warned a hushed and attentive Senate to avoid repeating what he called a "rush to judgment" by the House of Representatives and urged it to reject a call from the House managers for witnesses to be heard in the historic trial.

"William Jefferson Clinton is not guilty of the charges that have been preferred against him," Mr. Ruff said in a calm, even voice, his tone one of utter seriousness. "He did not commit perjury. He did not obstruct justice. He must not be removed from office."

In a year of odd, awkward and surreal conjunctures, Tuesday's situation was phenomenal. The first time a president was to deliver his closely watched State of the Union speech even as his impeachment trial was under way, a chief justice of the United States, William Rehnquist, presiding over that trial before attending the president's speech in a time-honored tradition; senators sitting as jurors in that trial, then crossing over to the hall of the House of Representatives to politely applaud the president's speech.

Mr. Clinton, in this odd exercise, was being declared a perjurer and a threat to America's moral standards and judicial system in one setting. In the other, he planned to take credit for leading the country into a period of peace and prosperity that 60 percent of Americans

A Top Priority: Social Security

In his State of the Union message, President Bill Clinton was expected to make the Social Security program a top priority. He said he favors spending about 62 percent of the government budget surplus to bolster the program and also wants to invest some of the cash reserves in the stock market.

The Senate majority leader, Trent Lott, said Republicans were committed to saving the giant pension program without raising taxes or cutting benefits for current recipients.

The president also planned to seek to use about 15 percent of the surplus to strengthen Medicare and another 11 percent for military and domestic programs.

Income tax cuts are not part of the president's proposals. Page 3.



Trent Lott on Tuesday, when he vowed to protect Social Security.

say is the best in their lifetime.

Mr. Ruff, who is widely respected in Washington legal circles, is taking the lead among Mr. Clinton's seven-lawyer team. He argued that the charges against the president did not reach the constitutional standard for removal from office.

"There is no suggestion of corruption or misuse of office," he said. The nation's founders, he added, intended impeachment only as a "method of removing someone whose continued presence in office would cause grave danger to the nation."

Mr. Ruff argued that the articles of impeachment had been belatedly assembled, saying that he first knew of the precise charges against Mr. Clinton only when the House Judiciary Committee revealed four proposed articles of impeachment, and so vaguely worded as to be constitutionally deficient.

They were, he said, "empty vessels to be filled with some witches' brew of charges considered, charges considered and abandoned, and charges never considered at all."

Mr. Ruff vowed that the president's

lawyers would "defend the president on the facts and on the law and on the constitutional principles that must guide your deliberations." He outlined some of those arguments.

With a hint of defiance to those House Republicans who have criticized the White House team as having argued around the facts of the case, Mr. Ruff said, "Some have suggested that we fear to do so. We do not."

"By the end of our presentation we will have demonstrated beyond any doubt that there is no basis on which the Senate can or should convict the president of any of the charges brought against him."

In a gamble, the White House lawyers invited Democratic members of the House Judiciary Committee to join them as part of the defense team, according to the president's spokesman, Joe Lockhart.

He said that Dale Bumpers, a former Democratic senator from Mr. Clinton's home state of Arkansas and a longtime ally of the president, would also join the

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Be More Upbeat, Obuchi Exhorts the Japanese

Compiled by Our Staff From Dispatches

TOKYO — Prime Minister Keizo Obuchi promised Tuesday that Japan's recession would end this year and pleaded with the Japanese to be more upbeat.

"It's easy to grieve and say that the glass is half empty," Mr. Obuchi said. "But I believe what we need to do is shift our mentality and say instead, 'the glass is half full.'"

Opening Parliament's first session of the year with his first major speech since forming a new coalition government, Mr. Obuchi pledged to make 1999 the first year of Japan's economic renaissance.

"I'm determined to do my best for Japan's economic recovery," Mr. Obuchi said. "As pilot of the country in a time of major transition, I humbly devote all my soul to responsible politics."

But Mr. Obuchi faces an uphill fight. Opposition groups strongly criticized

the prime minister's speech, saying it was full of moralizing but lacked detailed remedies for healing the country's ailing economy.

"There were no specific proposals," Naoto Kan, leader of the main opposition Democratic Party of Japan, was quoted as saying by the Kyodo news agency.

The call by Mr. Obuchi for recovery coincided with a government announcement that the country is still mired in its worst recession since World War II, and a research agency report that bankruptcies soared in 1998.

"The nation's economy is in what might be called a national economic crisis as it faces its worst postwar recession," said Taisi Sakaiya, head of the Economic Planning Agency, in Parliament.

Finance Minister Kiichi Miyazawa

See JAPAN, Page 4



Prime Minister Keizo Obuchi speaking Tuesday in Parliament.

AGENDA

IOC Member Resigns Over Scandal

The International Olympic Committee suffered its first casualty from the bribery scandal surrounding the 2002 Winter Games in Salt Lake City when a Finnish member resigned Tuesday following charges that her former husband was employed by the organizing committee.

Pirjo Haeggman, a physical edu-

cation teacher and former Olympian, told the IOC president, Juan Antonio Samaranch, that she was withdrawing from the committee even before a panel had completed its review of whether some members violated their oaths by taking favors from Salt Lake and possibly other cities seeking to stage the Olympics. Page 19.

U.S. Cool to Release Of Kurd Chief by Italy

WASHINGTON (Reuters) — The United States expressed mild displeasure on Tuesday that Italy allowed a Kurdish rebel leader, Abdullah Ocalan, to leave before he could be put on trial.

Turkey and the United States call Mr. Ocalan a terrorist.

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| The Dollar | | |
|--------------------------------|------------------|----------------|
| New York | Tuesday @ 4 P.M. | previous close |
| Euro | 1.1622 | 1.1558 |
| Pound | 1.656 | 1.6493 |
| Yen | 113.45 | 113.95 |
| DM | 1.683 | 1.6806 |
| FF | 5.8444 | 5.8707 |
| Dollars per pound and per euro | | |
| £ | Tuesday close | percent change |
| + 14.57 | 9,365.22 | + 0.16% |
| € | S&P 500 | percent change |
| + 8.74 | 1,852.00 | + 0.70% |
| ▲ | Nasdaq | percent change |
| + 58.53 | 2,407.73 | + 2.54% |

Home Electronics Firms Plug Into an Internet World

By John Markoff
New York Times Service

SAN FRANCISCO — The two largest consumer electronics companies in the world announced an alliance Tuesday with Sun Microsystems Inc. to create a generation of networked entertainment devices and appliances that will communicate with each other and with humans via the Internet.

Philips Electronics NV, Sony Corp. and Sun plan to link two developing software standards to forge a global computer network that stretches from the living room to the corporate computing center. Virtually any kind of electronic device built with the com-

bined standards, including televisions, stereo receivers and videocassette recorders, will interoperate with and be controlled by the network.

Sun's technology, known as Jini, is based on the company's Java programming language for Internet applications. A new kind of computing environment, Jini enables programmers to develop software for an entire network of dissimilar machines rather than for just a single computer. It is a "distributed" design, meaning that each device on the network can contribute processing power to the network and can participate in the distribution of information and instructions to all the other attached devices.

Under the agreement, Jini will be combined with the Home Audio Visual Interoperability, or HAVI, architecture, developed by a consortium of consumer electronics companies led by Sony and Philips.

The resulting network, a new kind of

Web Frenzy Gains Speed

At Home Corp., a high-speed Internet service aimed at cable-television subscribers, said Tuesday that it would buy Excite Inc., one of the leading Internet Web sites, for about \$6.7 billion in stock. If completed, the deal would be the highest in a flurry of recent acquisitions. Page 11.

computing platform for the anticipated post-personal computer era, might make it possible, for example, to program a VCR while away from home or to seamlessly route a television program to a computer disk drive or recordable digital video disk for later playback.

"This is a first major step to unleashing the potential of future technology to the home today," Eddy Odijk, general manager for system architectures at Philips, said Tuesday.

"This is a very good marriage," said Mike Clay, who leads development of Jini, which Sun announced last year. "It will make possible a wide range of new

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The deal was described by British executives as a step in restructuring the European industry.

But it was immediately denounced by DaimlerChrysler Aerospace AG of Germany, which had long counted on merging with British Aerospace and co-venturing with a French partner as well. That would have been the core of a consolidated European military company, but now a merger of DaimlerChrysler Aerospace and British Aerospace is "impossible," according to the German manufacturer, which would be dwarfed by the new British Aerospace.

Thomson-CSF of France, which had also sought to join with Marconi, said of the deal announced Tuesday, "It is hard to see how that fits into a wider European picture."

The British dealmakers stressed the commercial advantages of the combination. Citing potential savings and gains in export potential, Richard Evans, chief executive of British Aerospace, said his company had gained "global reach, world-leading technology and the strength to compete at all levels in the world markets."

But investors and some analysts did not agree, viewing the purchase price as too high. BAC shares fell 60 pence to 435 on the London Stock Exchange, and GEC shares dipped 29 pence to 553.

Both British companies, performing strongly in the 1990s, had manifested growing impatience with French tactics in slowly privatizing defense compa-

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Newsstand Prices

| | | | |
|-------------|-----------|--------------|-----------|
| Andorra | 10.00 FF | Lebanon | LL 3,000 |
| Antilles | 12.50 FF | Morocco | 16 Dh |
| Armenia | 1,800 CFA | Oman | 10.00 QR |
| Cambodia | 1,200 CFA | Rwanda | 12.50 FF |
| Egypt | 12.50 FF | Saudi Arabia | 10 SR |
| France | 10.00 FF | Senegal | 1,100 CFA |
| Gabon | 1,100 CFA | Spain | 250 Ptas |
| Ghana | 1,200 CFA | Tunisia | 1,250 Dn |
| Ivory Coast | 1,250 CFA | U.A.E. | 10.00 Dh |
| Jordan | 1,250 JD | U.S. Mk. | \$1.20 |
| Kuwait | 700 Fils | | |



Forgotten Flames / 30 Years Later

A Czech Martyr's Dreams Give Way to Velvet Malaise

By Peter S. Green
International Herald Tribune

PRAQUE — Ten years ago Tuesday, the playwright and human rights activist Vaclav Havel laid a small bunch of lilies at a statue in central Prague to honor a Czech student, Jan Palach, who had set himself on fire in January 1969 to protest the Soviet occupation of Czechoslovakia.

Mr. Havel and several other dissidents were arrested. He spent the next four months in a Communist prison.

On Tuesday, Mr. Havel, now Czech president, laid a similar bouquet at the statue of St. Wenceslas to mark the anniversary of Mr. Palach's act. Just a few dozen people looked on.

Mr. Palach had said that he would immolate himself because life under Soviet rule was hopeless, with few Czechs doing anything to resist the occupiers and their hard-line Czech puppets.

He hoped, he said, to shake the Czechs from their lethargy. But only a few seem to have been inspired by Mr. Palach, either then or now. It took another 20 years for Communism to collapse here, largely from its own weight.

Czechs today are in what Mr. Havel recently called a national "foul mood," oppressed not by outside invaders but by their own inability to harvest the fruits of economic and political reform, nine years after Communist rule collapsed.

Unveiling a bust of Mr. Palach this week, Mr. Havel said that the student's action would forever be a mirror held up to society.

"All that's changed is what we see in the mirror," he said. "Today it shows us our selfishness, opportunism and everything that in the time of Palach's act was called stealthy collaboration."

The problem, Mr. Havel has said in speeches and talks over the past several years, is that Czechs have begun to stake everything on getting rich, quickly, and that few people are interested in helping others.

Misguided economic policies, unfinished reforms and widespread corruption have kept growth from becoming more widespread. The economy, in fact, is poised to enter a second year of recession. Parliament is deadlocked as politicians bicker for points and power, and Czechs increasingly see their dreams of a better life slipping from their grasp.

While foreign companies operating here are thriving, many of the largest Czech businesses — and big



Mourners at the funeral of Jan Palach in Prague in January 1969, after the youth burned himself to death to protest the Soviet-dominated Communist rule.

state-owned banks — are on the verge of collapse, plagued by mismanagement and corruption. Unemployment is 7 percent and rising, and inflation is expected to hit double digits this year for the first time in nearly a decade.

Especially embittering to Czechs, neighboring Hungary and Poland are thriving, after making the economic sacrifices Czechs thought they could avoid.

WHEN MR. PALACH died, Czechs all over the country stopped work for five minutes as his funeral started. But after that, it took eight years before a significant dissident movement emerged, and 20 years before Communism collapsed. Now as then, many Czechs see their country's problems and are happy to complain about them, but few people seem inspired by Mr. Palach's example to fight — albeit in less dramatic ways — for a better society.



"Part of the public has the feeling that somebody has cheated them, and it doesn't matter if the feeling is justified or not," said Jan Herzman, a poll-taker at the Sofres-Factum agency. "This perception just leads to a passiveness and loss of faith in politics."

Despite Mr. Havel's call for Czechs to see Mr. Palach's sacrifice as an inspiration to take up arms against the sea of troubles inundating Czech society, few people, even among the young, post-Communist generation who say they are prepared to help make society better, find any inspiration in his act.

"We'll remember his name in 50 years," said Vaclav Bartuska, 34, an editor at the newspaper Mlada Fronta Dnes and a student leader in the 1989 "Velvet Revolution." "But it is so much beyond our comprehension that I still don't know what to think about it. I don't see Jan Palach as a role model or a martyr who leads the way."

Angola Message to UN: Let Us Fight to Finish

By Donald G. McNeil Jr.
New York Times Service

LUANDA, Angola — After five years of trying to make peace in Angola, having spent at least \$1.5 billion and having seen 60 of its staff members lose their lives, the United Nations is now an unwelcome guest here.

Both the government and the rebels have essentially indicated that they want the peacekeepers to leave so that the two sides can fight to the finish without interference in this country that is one of the most troubled, and potentially one of the richest, in Africa.

Now, the United Nations seems set to give in. Secretary-General Kofi Annan recommended in a report to the Security Council on Sunday night that after four years of operation the organization withdraw its peacekeepers. So far, some UN aid organizations have indicated that they will continue in the country, but it is unclear whether they would be able to operate.

"There are things we are not supposed to witness," Issa Diallo, the UN special representative to Angola, said Monday. "That's why we're asked out to be here."

"But we can't just leave a population that's suffering. And tomorrow it will be worse. War is spreading all over this country."

The war has been rekindling for weeks. It is said to be fiercest around the central highlands towns of Huambo, Cuito and Malanje. There are reports that rebel troops are moving toward Soyo, a northern oil area, and there have been attacks on diamond mines in the northeast that the rebels are trying to retake.

There appeared to be no particular nervousness, though, in the capital, Luanda, which is part of the coastal strip that the government considers secure.

After many years of guerrilla warfare in Angola, a peace agreement was reached in May 1991 calling for elections in 1992. A government victory at the polls led the rebel leader, Jonas Savimbi, to renew the fighting. After government offensives in 1994, a peace treaty was signed with the rebels, the National Union for the Total Independence of Angola, known by its Portuguese acronym, UNITA.

The agreement called for demobilization of the rebels and the formation of a joint government, but Mr. Savimbi has not joined the government, demobilization did not succeed and fighting began anew.

Recently, the UN force has dwindled to 1,000 observers, from nations as diverse as India, Portugal, Zimbabwe, Russia, Romania, Bulgaria, Sweden, Spain and Kenya.

Thinly spread across a country almost twice the size of Texas, they were able to do little but report troop movements near their camps and odd bits of gossip back to headquarters, and sometimes do good works like help operate clinics. Unlike peacekeepers in Kosovo, they did not even have the reassurance of a powerful NATO force nearby.

The hints that the United Nations should go had become viciously subtle. Last week, President Jose Eduardo dos Santos, in his New Year's address to foreign diplomats, said the United Nations had "lost control over the peace process, whose derailment already is a reality," and expressed his hope that Mr. Annan would fold up the observer mission on its Feb. 26 expiration date. Mr. Annan has recommended closing it by March 20.

And in what some diplomats believe was a message from the rebels, two UN-

chartered planes were shot down, one on Dec. 26 and one on Jan. 2, with a total of 23 people aboard. Both crashes are officially unexplained.

The refusal by both sides to let the United Nations launch prompt search-and-rescue missions only pointed out the organization's helplessness.

"Was there a message?" said a diplomat, who spoke on condition of anonymity. "Yes, it was: 'Don't fly — stay the hell out because we want to kill each other in peace.'"

But observers say that both sides are foolish to believe that victory awaits them at the end of the fighting, aside from bringing back the misery of war to a country that has had a respite after 30 years of fighting.

"In the short term, it doesn't appear that either side can annihilate the other," a diplomat said.

Mr. Diallo, the UN envoy, was asked if anything could end the war short of the death or capture of one of the two chief antagonists: Mr. Savimbi or Mr. dos Santos. Mr. Diallo answered with an emphatic, "Yes, yes, yes."

"People can learn from war," he said. "The Angolans will. But this one will be very tough."

Although the observers are likely to pull out, many UN aid agencies will remain. The World Food Program now feeds about 800,000 people, nearly one-third of the population. "There's no question we'll be here whether the observer mission is or not," said Maria Flynn, a spokeswoman for the World Food Program.

TRAVEL UPDATE

Train Strike Spreads

In Southern France

MARSEILLE (AP) — Train traffic was severely disrupted across much of southern France on Tuesday after drivers in Nice and Avignon joined a strike in this southern port city.

One out of three trains were expected to run Tuesday on main lines from Marseille, Nice and Avignon, the national train service, SNCF, said. Regional traffic also was expected to be disrupted, while high-speed lines were seen as running normally.

The strike in Marseille began Thursday. Marseille train drivers called the strike to protest disciplinary measures against four colleagues accused of holding executives against their will during a 1998 dispute.

Visitors Can Return

To See Carnac Stones

PARIS (AFP) — Visitors are to be readmitted part of the year inside the giant Carnac site of 3,800 standing stones in western Brittany, which was fenced off to the public in 1991 to avoid damage to the 6,000-year-old menhirs.

The Culture Ministry announced that visitors will be authorized to roam about the site again, but only during the winter months, outside the tourist season. The damage to vegetation and soil erosion were said to have been caused by the 800,000 annual visitors.

Cyprus Airways is to ban smoking on its flights to Athens and London, except to the cockpit, the airline announced Tuesday. The two-month experiment is to begin next week. (AP)

Clashes in 'No-Fly' Zone Presage More Trouble Ahead

By R. Jeffrey Smith
Washington Post Service

ADANA, Turkey — The co-pilot of a U.S. Air Force EA-6B electronic jamming plane was flying protective cover for several British Jaguars over northern Iraq last month when he was surprised to see the controls of an Iraqi surface-to-air missile and hear an explosion overhead.

Twenty minutes later, another Iraqi missile arced into the sky toward a nearby U.S. F-16, provoking three American warplanes to hurl six 500-pound bombs at their assailants.

The Dec. 28 attack was the first against U.S. aircraft in northern Iraq since August 1993. Since then, Iraqi anti-aircraft batteries have fired on U.S. and British warplanes in northern Iraq twice more and switched on radar at least three times in preparation for possible attacks — each time provoking a swift counterattack by air crews under orders from Washington not to let a single assault go unpunished.

As a result, what were once rare clashes have quickly become routine for the 100 or so British and American pilots staffing Operation Northern Watch, which enforces the northern "no-fly" zone imposed on Iraq after the 1991 Gulf War and is conducted with Turkey's edgy permission from Incirlik air base on the outskirts of Adana.

With as many Iraqi attacks in the last three weeks as in the previous eight years, concerns are increasing throughout the region that a new phase of military conflict has begun in northern Iraq and that more serious troubles with Iraq may yet lie ahead.

None of the Iraqi missile or anti-aircraft fire has struck a target, but three Iraqi batteries have been damaged or destroyed. This week, the clashes abated

while the U.S. and allied patrols have been suspended in honor of the end of the Muslim holy month of Ramadan.

But U.S. officials say that over the last month, the Iraqi military has evidently laid the groundwork for maintaining a robust challenge to allied flights in northern Iraq by moving more than a dozen additional mobile missile batteries into the air patrol zone, which lies between the Turkish border and the 36th Parallel.

The officials say that these additional batteries constitute a serious threat to the operation's aircraft and that the move clearly violates American warnings to Baghdad in 1993 and 1996 not to increase the number of such batteries in the zone.

In an additional provocation, the officials said, Iraq has demonstrated an increased willingness to flout an allied ban on flying fixed-wing aircraft in the zone, sending French-built Mirage and Soviet-made MiG jet fighters aloft in the north for as long as an hour when U.S. warplanes were not near.

A senior officer assigned to the AWACS airborne surveillance plane here, which has monitored the Iraqi

actions, said she thought that President Saddam Hussein of Iraq was "thumbing his nose at us."

Brigadier General David Depuila, who shares command of Operation Northern Watch with a senior Turkish officer, said the Iraqi leader's move "evidently was to keep his position on the world stage" as a means of gaining support for lifting the United Nations embargo on trade with his country.

Neither they nor five other officers interviewed here could predict what might happen next.

For example, although the new prime minister of Turkey, Bulent Ecevit, expressed concern last week about a possible escalation of the conflict, General Depuila said the Turkish military has provided steady and reliable support for the allied flights, including recent authorization for the planes to begin using new, precision-guided AGM-130A missiles.

The weapons can broadcast a television image of their target that enables air crews to fine-tune their trajectory, making much more precise strikes possible from a greater distance than weapons currently in use, officials said.

The allies created the northern "no-fly" zone in 1991 to protect Iraq's Kurdish minority from a government crackdown on their post-Gulf War rebellion.

But U.S. military officials have shied away from describing exactly what the allied and Turkish response would be if Baghdad ever decided to "attack" the Kurdish groups.

When Iraqi troops advanced into the north in 1996 to crush a CIA-funded Kurdish opposition group, Washington walked away from a fight, ultimately causing more than 5,000 Kurds to flee for their lives. But Secretary of State Madeleine Albright gave Kurdish leaders an oral assurance last summer of U.S. military support if Baghdad attacked again, a promise meant as a goad to cooperation among rival Kurdish groups.

"We plan for everything, and we've got a few options," a U.S. officer said. But Washington needs Ankara's approval to use Turkish air bases, and the Turkish government — fighting a Kurdish rebellion on its own soil — is deeply skeptical about the wisdom of propping up a Kurdish alliance in northern Iraq.

Ex-UN Aide Hits Iraq Sanctions

Reuters

PARIS — The former coordinator of the United Nations oil-for-food program in Iraq said Tuesday that UN sanctions amounted to genocide and that ending them would do more to weaken the Iraqi leadership than maintaining them.

Denis Halliday, a self-described pacifist who resigned to protest over UN policies in Iraq last September after more than 30 years at the agency, praised a French plan to ease international sanctions on Baghdad.

But, in an appearance before the French National Assembly's Franco-Iraq Study Group, he said that UN members must do even more to assist Baghdad and urged them to help finance Iraq's reconstruction, which he said would cost \$50 billion to \$60 billion.

He also urged the United Nations to postpone Iraq's reparations payments, imposed after its 1990 invasion of Kuwait, "until the death of Iraqi children ceases."

"I don't like the word genocide," he said after his remarks to the study group. "I think it's perhaps too dramatic. But the fact is, can you find a better word to describe this sort of catastrophe?"

Mr. Halliday is touring Europe to lobby for an end to the UN sanctions, which he blames for the deaths of 5,000 to 6,000 Iraqis a month and as many as 600,000 children since 1990.

France has proposed phasing out the UN ban on Iraqi oil sales, replacing obnoxious weapons inspections with a looser system of arms monitoring and continuing supervision of how Iraq spends the money it earns from oil exports.

WEATHER

Europe

| | Today | Tomorrow | High | Low | High | Low |
|-------------|-------|----------|------|-----|------|-----|
| Algeria | 62° | 62° | 62° | 45° | 62° | 45° |
| Austria | 49° | 49° | 49° | 32° | 49° | 32° |
| Belgium | 57° | 57° | 57° | 42° | 57° | 42° |
| Denmark | 57° | 57° | 57° | 42° | 57° | 42° |
| France | 57° | 57° | 57° | 42° | 57° | 42° |
| Germany | 57° | 57° | 57° | 42° | 57° | 42° |
| Greece | 62° | 62° | 62° | 45° | 62° | 45° |
| Ireland | 57° | 57° | 57° | 42° | 57° | 42° |
| Italy | 57° | 57° | 57° | 42° | 57° | 42° |
| Japan | 57° | 57° | 57° | 42° | 57° | 42° |
| Netherlands | 57° | 57° | 57° | 42° | 57° | 42° |
| Norway | 57° | 57° | 57° | 42° | 57° | 42° |
| Poland | 57° | 57° | 57° | 42° | 57° | 42° |
| Portugal | 57° | 57° | 57° | 42° | 57° | 42° |
| Romania | 57° | 57° | 57° | 42° | 57° | 42° |
| Russia | 57° | 57° | 57° | 42° | 57° | 42° |
| Spain | 57° | 57° | 57° | 42° | 57° | 42° |
| Sweden | 57° | 57° | 57° | 42° | 57° | 42° |
| Switzerland | 57° | 57° | 57° | 42° | 57° | 42° |
| Turkey | 57° | 57° | 57° | 42° | 57° | 42° |
| U.S.S.R. | 57° | 57° | 57° | 42° | 57° | 42° |
| U.K. | 57° | 57° | 57° | 42° | 57° | 42° |
| Yugoslavia | 57° | 57° | 57° | 42° | 57° | 42° |

North America

| | Today | Tomorrow | High | Low | High | Low |
|----------------------|-------|----------|------|-----|------|-----|
| Alaska | 57° | 57° | 57° | 42° | 57° | 42° |
| Arizona | 57° | 57° | 57° | 42° | 57° | 42° |
| Arkansas | 57° | 57° | 57° | 42° | 57° | 42° |
| California | 57° | 57° | 57° | 42° | 57° | 42° |
| Colorado | 57° | 57° | 57° | 42° | 57° | 42° |
| Connecticut | 57° | 57° | 57° | 42° | 57° | 42° |
| Delaware | 57° | 57° | 57° | 42° | 57° | 42° |
| District of Columbia | 57° | 57° | 57° | 42° | 57° | 42° |
| Florida | 57° | 57° | 57° | 42° | 57° | 42° |
| Georgia | 57° | 57° | 57° | 42° | 57° | 42° |
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| Rhode Island | 57° | 57° | 57° | 42° | 57° | 42° |
| South Carolina | 57° | 57° | 57° | 42° | 57° | 42° |
| South Dakota | 57° | 57° | 57° | 42° | 57° | 42° |
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| Vermont | 57° | 57° | 57° | 42° | 57° | 42° |
| Virginia | 57° | 57° | 57° | 42° | 57° | 42° |
| Washington | 57° | 57° | 57° | 42° | 57° | 42° |
| West Virginia | 57° | 57° | 57° | 42° | 57° | 42° |
| Wisconsin | 57° | 57° | 57° | 42° | 57° | 42° |
| Wyoming | 57° | 57° | 57° | 42° | 57° | 42° |

Asia

| | Today | Tomorrow | High | Low | High | Low |
|------------------------|-------|----------|------|-----|------|-----|
| Algeria | 57° | 57° | 57° | 42° | 57° | 42° |
| Albania | 57° | 57° | 57° | 42° | 57° | 42° |
| Andorra | 57° | 57° | 57° | 42° | 57° | 42° |
| Armenia | 57° | 57° | 57° | 42° | 57° | 42° |
| Azerbaijan | 57° | 57° | 57° | 42° | 57° | 42° |
| Bahrain | 57° | 57° | 57° | 42° | 57° | 42° |
| Bangladesh | 57° | 57° | 57° | 42° | 57° | 42° |
| Belarus | 57° | 57° | 57° | 42° | 57° | 42° |
| Belgium | 57° | 57° | 57° | 42° | 57° | 42° |
| Bhutan | 57° | 57° | 57° | 42° | 57° | 42° |
| Bolivia | 57° | 57° | 57° | 42° | 57° | 42° |
| Bosnia and Herzegovina | 57° | 57° | 57° | 42° | 57° | 42° |
| Brazil | 57° | 57° | 57° | 42° | 57° | 42° |

THE AMERICAS

President Puts Priority On Social Security

The Associated Press
WASHINGTON — President Bill Clinton favors spending most of the government budget surplus in Social Security, but also wants to use some of it to create retirement accounts for workers, administration officials said Tuesday.

For the first time, some of the money in Social Security cash reserves would be invested by the government in the stock market.

"It's a bold approach in save Social Security now," said the White House press secretary, Joe Lockhart, shortly before the president was to spell out his plans in the State of the Union address Tuesday. "You remember last year was to 'save Social Security first.' It's moved to now."

The president also will call for using some of the budget surplus to support the ailing Medicare system and spending another 11 percent for military and domestic programs.

Mr. Clinton's proposal includes no income tax cuts and thus is certain to set up conflicts with many Republicans who want the budget surplus spent, at least in part, to reduce taxes.

"He wants to spend a lot more money, he wants government to grow," said Don Nickles, Republican of Oklahoma, the Senate majority whip, of the president's plan. "If we're going to have a surplus, we think that taxpayers should be the primary beneficiaries."

Congressional Republicans also have placed Social Security atop their agenda for the new Congress. At a news conference Tuesday, the Senate majority leader, Trent Lott, said Republicans are committed to saving the giant pension program without raising taxes or cutting benefits for current recipients.

Mr. Clinton will suggest using about 62 percent of the extra money, or more than \$2.7 trillion, in directly bolster Social Security's cash reserves. Another 11 percent, or \$500 billion, would go to the new government-subsidized retirement savings accounts.

Another 15 percent of the surplus would go to strengthen Medicare, the health insurance program for the elderly and disabled, which like Social Security is expected to be financially overburdened by the huge, aging baby boom generation.

The rest of the surplus, about 11 percent, Mr. Clinton wants for other spending, including military readiness and domestic programs.

The White House estimates the extra funding would keep Social Security solvent through 2055 and Medicare through 2020.

Mr. Clinton also will suggest that other structural changes may be needed, but he will leave those choices, which could include such painful choices as raising the retirement age, to be decided through bipartisan negotiations with Congress.

In addition to supplying 62 percent of the expected budget surplus to Social Security's cash reserves, the president will propose that about one-fourth of the new funding should be invested, in bulk by an independent government board, in the stock market in hopes of increasing its value.

Many Republicans strongly oppose government-controlled investment of Social Security money, citing the risk of political interference in private companies. They would prefer to see some Social Security taxes diverted into personal accounts that individuals would control.

The president will ask Congress to help him devise a way that bulk investment decisions could be made by a board insulated from politics and limited to such options as stock index funds.

The rest of the Social Security cash infusion would be kept — as the program's cash reserves have been traditionally — in safer, but historically lower-yielding U.S. Treasury bonds.

The president also wants to use some of the money to subsidize new individual Retirement Accounts — dubbed Universal Social Security benefits. The accounts would work something like the 401(k) savings plans many companies offer, allowing workers to choose among several investment options such as stock and bond funds.

The government would make an annual lump-sum contribution to individual accounts, then match workers' own contributions up to a limit. The president would want a sliding scale for the matching dollars in give bigger subsidies to those with lower incomes, and he might disqualify the wealthiest from the money altogether.

A Proposal to Aid Parents

President Clinton will embrace an idea long favored by conservatives and propose a tax break for parents who stay home to care for their children. White House officials said Monday, The New York Times reported.

The proposed tax credit, up to \$250 a year for each child under age 1, is smaller than the tax breaks proposed by Republicans for the same purpose. But the administration now accepts the Republican argument that the government should recognize the value of services provided by a parent, generally the mother, who forgoes paid employment to stay home and care for the children.

In the past, Mr. Clinton has offered several proposals to make child care more affordable in working parents.

Administration officials said that Mr. Clinton would probably highlight his child-care proposals, including the tax credit, in his State of the Union message Tuesday.



President Clinton preparing for his State of the Union address with aides in the White House's family theater.

Clinton Seeks More Funds for Russian Nuclear Cuts

By David E. Rosenbaum
New York Times Service

WASHINGTON — President Bill Clinton wants the United States to increase substantially its financial assistance to Russia to help minimize a worldwide threat posed by the country's huge nuclear arsenal, according to administration officials.

"The president believes it's in the national security interest of the American people that we work with Russia and other former Soviet countries to reduce the risk that materials, technology and expertise for weapons of mass destruction fall into the hands of rogue nations or terrorists," said David Leavy, a National Security Council spokesman, describing proposals prepared for the president's State of the Union address.

Another senior official said the president was concerned about "people trying to sell what has value," adding, "As Russia is in a period of greater economic distress, it is even more in our interest to accelerate these programs."

The administration officials said the president would propose spending \$4.2 billion over the next five years, a 68 percent increase over the \$2.5 billion already budgeted.

The new money, if authorized, would be used in these areas:

- To dismantle warheads and other dangerous weapons.
- To redirect Russian scientists and scientific institutes into civilian pursuits.
- To tighten controls over nonnuclear weapons and materials like chemical and biological weapons and missile parts and help the Russians tighten their export controls.
- To assist in the relocation of Russian troops now stationed outside the country.

The president will stress that the requested money would not be available to institutions that offer nuclear assistance to Iran. Last week, the White House announced economic sanctions against three Russian institutions that the administration said were helping Iran and possibly other nations develop nuclear weapons and missiles.

In an interview here, Michael Krepon, president of the Henry L. Stimson Center, a military research organization, and an expert on Russian nuclear weapons, said that the increased spending to be proposed by the president would be "a good down payment to solve an important problem."

Asked how much it would cost to solve the problem once and for all, Mr. Krepon replied, "There isn't a soul who knows the answer."

The request for additional financial assistance to Russia was described by the official as the centerpiece of the speech's section on foreign and military policy.

It was reported that Mr. Clinton would talk about efforts to contain a threat from Iraq and also to achieve

peace in the Middle East, Northern Ireland and the Balkans.

In addition, he will press for a five-year increase in the Defense Department budget, with an emphasis on improving the ability of troops to respond quickly to emergencies, and he will urge the Senate to approve the Comprehensive Test Ban Treaty.

As long as it does not join the 151 nations that have signed the treaty, the president feels, the United States will lack the moral authority to persuade India and Pakistan to stop testing nuclear weapons.

Other passages will involve U.S. policy in Asia and Africa, and there will be a sizable section on trade and international economics.

The president will urge Congress to reinstate his authority to negotiate trade agreements under a process that would allow the legislature to approve or reject the proposed pacts, but not to amend them.

In 1991, after the disintegration of the Soviet Union, Congress approved money to Russia and other former Soviet states to help them dismantle nuclear arsenals and to create safe storage for weapons-grade nuclear material.

This is called the Nunn-Lugar program after its chief sponsors, former Senator Sam Nunn, Democrat of Georgia, who headed the Armed Services Committee, and Senator Richard Lugar, Republican of Indiana, a former chairman of the Foreign Relations Committee and now the committee's second-ranking Republican.

It was reported that Mr. Clinton would talk about efforts to contain a threat from Iraq and also to achieve

Iran's Request for Grain Leaves U.S. in Quandary

Administration Questions Motive for Deal

By Thomas W. Lippman and David B. Ottaway
Washington Post Service

WASHINGTON — Just as the Clinton administration was reluctantly concluding late last year that its effort to rebuild ties to Iran was going nowhere, Tehran surprised Washington with a request to buy more than \$500 million in American grain and sugar. The move was described by Iran's U.S. purchasing agent as an effort to reach out to the United States.

The proposed transaction requires a Treasury Department license, and the administration is debating whether approval would appear to reward Iran undeservedly or whether denial would cut off a promising line of contact. The debate is complicated by uncertainty about Iranian motives in placing the order.

A preliminary, staff-level recommen-

dation to reject the proposal has been delivered to the White House national security adviser, Samuel Berger, administration officials said, but no decision is imminent.

A bipartisan group of members of Congress from farming states urged President Bill Clinton last month to permit the transaction, arguing that it would benefit farmers while "demonstrating to the Iranian government an example of the positive results which can stem from acceptable standards of international behavior."

But senior administration officials said Iran is not conforming to "acceptable standards of international behavior," despite some improvements since the 1997 election of President Mohammed Khatami.

The administration recently reported to Congress that "despite some signs that the Iranian government wants to improve its standing in the international community, Iran continues to pursue policies that threaten the interests of the United States," including supporting Middle East terrorist groups.

Mr. Clinton banned commerce between Iran and the United States in a 1995 executive order, prompted by Iranian support for alleged terrorist organizations and its hostility to peace between Israel and the Palestinians.

Some administration officials argue that the behavior of Iran has not shifted sufficiently to warrant approval of any transaction of the scope of the proposed grain purchase.

The administration has already rejected an application by a small Texas oil company to engage in an oil "swap" with Iran in which oil would be sent from another country to Iran in exchange for Iranian crude with easier export access. Officials said the administration plans to reject all such transactions — including one requested by Mobil Corp.

After two decades of bitter hostility following the 1979 Iranian revolution, Secretary of State Madeleine Albright held out an olive branch last summer, offering a "road map" to normal relations. Her offer reflected the belief of Mr. Clinton and his senior advisers that Mr. Khatami is less doctrinaire in his opposition to all things American than were his predecessors and that his offer of increased cultural contacts might pre-empt better ties.

The administration took some tentative steps toward testing Iranian sentiment, and welcomed Iranian participation in efforts to bring peace to Afghanistan. But as 1998 drew to a close, officials concluded that Mr. Khatami's preoccupation with an internal power struggle against hard-line factions would prevent him from moving further, even if he were so inclined.

Mrs. Albright's initiative is mired, a State Department official said, because Tehran still finds it too difficult to pursue relations with Washington openly, given the deep hostility in the United States that pervades the ruling religious establishment.

A senior administration official said: "We continue to believe that Khatami is the best opportunity for change in Iran that we have seen since 1979. But I don't see him pushing major new initiatives. He's fighting a very difficult domestic battle."

Some administration officials appear to consider the grain purchase order to be only an artifice, aimed at setting the precedent of an approved transaction without consummating a deal. Analysts said cash-strapped Iran, hobbled by low oil prices, could buy some of the commodities from other countries for less money, and on favorable credit terms.

The application for a Treasury license was filed by Niki Trading Co., which was created in June by Richard Bliss, a veteran Washington lobbyist, and Yahya Fuzi, an Iranian-American. "Niki" means "doing good" or "goodwill" in Persian, according to Pani Farkhan, Mr. Fuzi's daughter, who also works for the company.

Mr. Bliss said the Delaware-based company was created specifically to negotiate and carry out the proposed deal after encouragement from American farmers and the Iranian government.

POLITICAL NOTES

Willey Friend Pleads Not Guilty to Lying

ALEXANDRIA, Virginia — A friend whose testimony cast doubt on Kathleen Willey's allegation of an unwanted sexual advance by President Bill Clinton pleaded not guilty Tuesday to charges she lied under oath. Her lawyer vowed to seek dismissal of the case brought by Kenneth Starr.

Accused of three counts of obstruction of justice and one of making a false statement, Julie Hiatt Steele said "I plead absolutely not guilty," during an appearance before Judge Claude Hilton in U.S. district court. Trial was scheduled March 30.

Her lawyer, Nancy Luque, said she would file many pretrial motions challenging the indictment, which accuses Ms. Steele of filing a false affidavit in the Paula Jones sexual harassment lawsuit against Mr. Clinton.

Ms. Luque said the indictment was incorrectly filed in Virginia because Mr. Starr wanted to avoid dealing with the federal courts in the District of Columbia. He suffered a setback there in a case he filed against another defendant in his investigation, Webster Hubbell. A federal judge threw out a tax case against Mr. Hubbell, a decision that Mr. Starr is appealing.

Ms. Luque also said that Mr. Starr had a conflict of interest stemming from the Jones case and promised to challenge the indictment on that ground.

Ms. Steele filed an affidavit in the Jones case casting doubt on the credibility of Mrs. Willey, a former White

House volunteer who alleges that Mr. Clinton made an unwanted sexual advance toward her next to the Oval Office in 1993. Mr. Clinton denies Mrs. Willey's accusation, which became a focus of the Jones lawsuit. (AP)

Time to Raise Funds

WASHINGTON — The compressed calendar of presidential primaries has set off a competitive frenzy among Republican and Democratic contenders who believe that they must begin — almost immediately — to raise money or they may find it impossible to catch up.

In many ways, this year is more crucial than 2000 in determining who the two parties will nominate. That is because the survival of candidates, until next winter when issues and personal appeal may be noticed, depends on one practical fact: who has enough money.

Candidates who do not start collecting the \$20 million to \$25 million that a primary will require — that amounts to \$55,000 to \$70,000 a day, seven days a week by the end of the year — may find it difficult to wage a campaign. (NYT)

Quote/Unquote

Governor George Bush of Texas on the reaction of his wife and twin daughters to the possibility that he will run for the Republican presidential nomination: "If I choose to seek the presidency, they'll be for me. If I choose not to seek the presidency, they'll understand why. I think they're going to love me either way." (AP)



BURYING THE HATCHET — President Bill Clinton and President Alberto Fujimori of Peru embracing at the new border over which the two countries went to war in 1995.

Florida Wins Case Over Electric Chair

The Associated Press
WASHINGTON — The Supreme Court rejected a challenge Tuesday to Florida's use of the electric chair as its only means of execution.

The justices, without comment, rejected an appeal in which a death-row inmate, Eduardo Lopez, convicted of murdering a child, challenged death in the electric chair as "cruel and unusual punishment," forbidden by the U.S. Constitution.

Of the 38 states with capital punishment, only four, including Florida, require execution by electrocution. The others are Alabama, Georgia and Nebraska.

Two other states, Tennessee and Kentucky, recently provided for lethal injection as an alternative method.

Across the nation, states use electrocution, lethal injection, hanging, firing squad and the gas chamber to execute those convicted of the most serious crimes.

Florida officials imposed a one-year moratorium on executions after a fire started during the execution of Pedro Medina in 1967. Flames and smoke rose from his head when the electric current was turned on.

An autopsy report said Mr. Medina had died instantly and suffered no pain from the fire, which was attributed to sponges in the chair's headpiece.

The Florida Supreme Court ruled by a 4-3 vote during the one-year moratorium that continued use of the electric chair would not violate the ban on cruel and unusual punishment.

Away From Politics

• A jury has awarded more than \$12.6 million to Leslie Crane, 55, a former chemistry professor who had filed a sex discrimination lawsuit after being denied tenure at Trinity College in Hartford, Connecticut. (AP)

• An operation in which doctors burn away heart tissue to try to eliminate heart rhythm disturbances almost always succeeds and has low risks, researchers reported in the biggest study ever on the procedure. The findings were published in Circulation, an American Heart Association journal. (AP)

• United Parcel Service of America has agreed to pay \$12.1 million to settle a federal lawsuit by black workers who claimed the company shut them out of choice assignments, promotions and training. (AP)

• The American Civil Liberties Union of Pennsylvania vowed to file a federal lawsuit to block an ordinance allowing the police to remove vagrants from city sidewalks. (AP)

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THE WORLD'S DAILY NEWSPAPER

China's Curbs on Liberal Intellectuals Leave Room to Wriggle

By Erik Eckholm
New York Times Service

BEIJING — As they very publicly send the most outspoken democracy campaigners to prison, China's leaders have also quietly tightened the screws on liberal intellectuals, journalists and publishers.

In the last few weeks the Communist Party's powerful Department of Propaganda has closed an influential book publisher in Beijing and an adventurous newspaper in the southern city of Guangzhou.

It has sent stern warnings to some magazines and newspapers that strayed too far from the prescribed line, forced some editors and writers out of their jobs and halted distribution of several books that delve into political alternatives or embarrassing episodes in the

history of Communist rule. The campaign reflects the leadership's concern for stability as it confronts rising unemployment and protests by workers and farmers.

Officials may also be worried about dissent related to the 10th anniversary this June of the violent smashing of opposition demonstrations in Tiananmen Square and the 50th anniversary on Oct. 1 of the founding of the People's Republic of China.

In the last year, liberals who want more open discussion of political alternatives have been testing the limits of public discourse. But in recent interviews, many scholars, magazine editors and journalists said they now sensed a shrinking of the boundaries.

At the same time, some writings and meetings that are relatively free by China's standards continue, and none of

those interviewed said they believed that China was in the throes of an all-out crackdown or a major shift in policy.

Since many books, magazines and newspapers touch on sensitive topics these days, the repressive measures to date seem almost arbitrary. They have not been mentioned in the press here. But word spreads quickly and the authorities may hope that by setting examples they will induce others to exercise new caution.

"I don't think there will be a general crackdown on liberal intellectuals," said one such scholar, Lin Junning, a political theorist with the Chinese Academy of Social Sciences and editor of a journal on political thought. "But they may tighten up on publications, making it more difficult for people to get their ideas out."

Some intellectuals interviewed said

that in today's China, with burgeoning outlets for publishing, so many intellectuals chafing to explore new ideas and so many eager readers, the government probably lacked the ability to suppress debate altogether.

Even before the recent setbacks, writers could not directly discuss multiparty politics or the possibility of ending the Communist Party's monopoly on power. Still, the last year has been a relatively loose period, with more books frankly discussing issues like corruption, crime, the effects of different economic strategies and — in a guarded, theoretical way — the nature of democracy.

Such books, in turn, have served as the basis for seminars at universities and bookstores. Only a small number of those books that the government sees as most objectionable have been directly censored.

Many newspapers and magazines

around the country have explored similar topics and exposed local corruption or policy failures.

The publications campaign is directed by the party's Department of Propaganda, under the leadership of Ding Guangen, a longtime bridge partner of the late leader Deng Xiaoping and a man who has become President Jiang Zemin's chief ideological enforcer.

Perhaps the most far-reaching act was the suspension in early January of operations of one of China's boldest and most influential book publishers pending "rectification" of the staff. Two top editors at the company, China Today Publishers, have been ordered to write self-criticisms — a time-honored Communist technique for forcing wayward individuals to acknowledge ideological errors — according to people familiar with the situation. They spoke on condition of anonymity.

China Today Publishers, based in Beijing and operating under the authority of an information unit of the Communist Party, issued several of last year's most widely discussed books including "China's Pitfall," a withering analysis of corruption in the dismantling of state enterprises; "Crossed Swords," a strong attack on the remaining opponents of the country's move toward a market economy and looser social control; and "Political China," a collection of essays on political change by scholars and former officials.

In the case of "Political China," which quickly sold out its first printing of 30,000 last fall, authorities forbade a second printing. But other books from the publisher have not been similarly quashed.

Several books recently issued by other publishers, including volumes of political essays or memoirs of ideological battles, have been restricted, usually by barring new printings and distribution or, in some cases, book reviews.

So far at least, the suppression of

liberal writing is not universal. Mr. Liu, the political theorist, edits a journal of political thought called Res Publica. The newest issue of the journal, which has a circulation of 10,000, contains essays exploring the difference between direct and indirect democracy. Mr. Liu said he had not heard any official complaints.

A number of other small journals and magazines explore once-heretical political and economic ideas, including one that has just appeared in Guangdong Province called Reading Tour.

Its maiden issue includes articles with such titles as "Freedom of Thought and Democratic Politics" and "The Loneliness of the Dissident" plus an essay by Isaiah Berlin, the late anti-Communist philosopher.

As Korean Talks Begin, Aides Voice Pessimism

Reuters

GENEVA — Officials from the United States, China and North and South Korea began a fresh round of talks Tuesday aimed at normalizing relations between Seoul and Pyongyang.

The talks, which have been taking place on and off in Geneva for more than a year, have as their eventual goal a permanent peace between North and South Korea. But participants played down any chance of a breakthrough in this round.

"After listening to the keynote addresses, my feeling is that there are still significant differences of views among the delegations," said Kim Gye Gwan, head of the North Korean delegation. "I have the feeling we will have to work very hard to narrow down the differences."

Diplomats have suggested the fact that North Korea — which has recently stepped up propaganda attacks on Washington, Seoul and Tokyo — is acting as chairman of this round could make progress difficult.

The four-party discussions are aimed at replacing the fraying truce that halted the 1950-53 Korean War with a permanent accord to normalize North-South relations.

Qian Yong Nian, head of the Chinese delegation, said: "It's a very complicated matter. We're trying to solve a problem that has been left over by history. So we can't hope to get it settled in the next few days."

U.S. and North Korean officials held talks in Geneva over the weekend about a site in North Korea that Washington fears could be part of a new nuclear weapons effort by Pyongyang. Those talks are due to resume this weekend.

Pyongyang kept up its broadsides against the West on Tuesday with an attack on the recent visit by the U.S. defense secretary, William Cohen, to South Korea and Japan. A Korean Central News Agency report monitored in Tokyo denounced Mr. Cohen for his discussions with the military and political leaders of the two nations.

Japan Offers to Improve Ties

The Japanese prime minister, Keizo Obuchi, offered Tuesday to thaw icy relations with North Korea if it shows a "constructive attitude" over its missile development and a suspected nuclear program, Agence France-Press reported from Tokyo.

In a speech to open the lower house of Parliament, Mr. Obuchi said Japan would work with South Korea and the United States in dealing with threats from North Korea.

Citing concerns over Pyongyang's suspected nuclear and missile programs, Mr. Obuchi said: "If North Korea shows a constructive attitude to these issues our country is ready to improve relations through dialogue and interchanges."

It was the clearest sign yet of an easing of tensions since Aug. 31, when North Korea launched a rocket unan-



UNWANTED BLANKET — Smog covering Hong Kong and its harbor Tuesday as pollution reached potentially dangerous levels, with residents advised to reduce exertion and outdoor activities.

nounced, part of which overflowed Japan. The Japanese foreign minister, Masahiko Komura, echoed his prime minister's call, saying in a speech in Parliament: "It is important for North Korea to take action so that it will clear concern over the recent missile and nuclear issues."

The chief cabinet secretary, Hiromu Nonaka, also told a news conference

that Japan was ready to work to establish relations with North Korea and was pursuing this informally through third countries such as the United States.

He said that Japan aimed to "sound out" North Korea's intentions regarding its concerns, which include Pyongyang's ballistic missile development, but gave no details.

Philippine High Court Clears Obstacle to Rapist's Execution

The Associated Press

MANILA — Paving the way for the first execution in the Philippines in 23 years, the Supreme Court on Tuesday lifted an order delaying the death of a convicted child rapist and instructed a lower court to set a date.

Leo Echegaray, a housepainter convicted of repeatedly raping his 10-year-old stepdaughter, was about to be executed Jan. 4 when the court ordered a six-month delay to allow Congress time to review a law that restored capital punishment in 1994.

After a 10-hour session that ended early Tuesday, the House of Representatives decided against reviewing the law. The death penalty in the Philippines is carried out by lethal injection.

A group of human-rights lawyers representing Mr. Echegaray, the Free Legal Assistance Group, said they were planning to file a motion with the Supreme Court for reconsideration if Mr. Echegaray agreed.

Eleven of the 15 justices voted to lift the restraint order on the execution, saying it was clear Congress would not repeal the death-penalty law.

After learning of the decision, Mr.

Echegaray said he could no longer think of any way to stop his execution. His wife, Zenaida, quoted him as saying: "Up to the last moment I will shout to the world that I did not rape that child. They'll kill an innocent man."

President Joseph Estrada, who has begun a high-profile campaign against crime, hailed the decision and urged the lower court to set an execution date immediately.

Mr. Estrada has said he will not pardon Mr. Echegaray and has turned down appeals from the Vatican, the European Union and Canada to abolish capital punishment.

The decision was a blow for the archbishop of Manila, Cardinal Jaime Sin, the most influential Philippine churchman, who has led a campaign against the death penalty.

Mr. Echegaray was the first of more than 800 condemned inmates in the Philippines to be scheduled for execution. At least 13 others could be executed this year.

The Supreme Court's earlier decision to delay Mr. Echegaray's execution set off an uproar among Filipinos exasperated by crime.

BRIEFLY

Indian Troops Kill 4 in Kashmir Clash

SRINAGAR, India — Indian troops clashed Tuesday with Pakistani soldiers who had tried to seize a military post on a glacier in disputed Kashmir, killing four Pakistani soldiers, a news agency reported.

The clash took place after nearly 20 Pakistani soldiers advanced toward Indian-held territory on the Siachen glacier, the Press Trust of India news agency said, quoting an Indian military statement.

The Indian soldiers opened fire and later saw the Pakistanis retreating and carrying the bodies of four soldiers, the report said. There was no immediate comment by the Pakistan government. (AP)

Korean Contacts Lead to a Trial

SEOUL — A South Korean soldier will be court-martialed on charges of making illegal contacts with North Koreans, the Defense Ministry said Tuesday.

Staff Sergeant Kim Young Hoon, 29, was detained in December on suspicion that he had crossed the border at the truce village of Panmunjom at night about a dozen times in 1997 to socialize with North Korean guards. Sergeant Kim admitted to investigators that he had received cigarettes, drinks and other gifts from North Korean officers apparently assigned to lure South Korean soldiers over to the North's side, the ministry said.

If found guilty, Sergeant Kim could be sentenced to a long prison term under the country's national security law. The soldier also had been suspected of being involved in the death of his superior inside the border village in early 1998. But investigators found no evidence to link him to that case, the ministry said. (AP)

13 Filipinos Die As Power Line Falls

MANILA — A wooden pagoda on a boat in a water parade snapped an electrical wire that fell on passengers Tuesday, killing at least 13 people by electrocution or drowning and injuring 10 others.

The victims were participating in an advance celebration of the town festival of Lumban in Laguna Province, a police investigator, Leopoldo Calacala, said.

Mr. Calacala said the cut electrical wire had landed on the boat, electrocuting some passengers and causing several others to jump overboard and drown. He said police were investigating reports that several other people were still missing. (AP)

Sri Lanka Leader Agrees to Elections

COLOMBO — The government said Tuesday it was safe to hold elections in the five provinces where votes were postponed last year because of Sri Lanka's civil war.

President Chandrika Kumaratunga said last August that 30,000 troops would be needed to secure the elections and that they could not be held with separatist Tamil rebels in the north and east.

Critics said at the time that Mrs. Kumaratunga, who had extended emergency rule to the five provinces, simply wanted to avoid elections because she was unsure of her popularity. No date was set for the elections, which are to be held in most of the country's provinces. (AP)

JAPAN: A Pep Talk by Obuchi

Continued from Page 1

added in his speech to the legislature that with capital markets slumping, banks burdened with bad loans and concerns about employment rising, the domestic economy "is in an extremely severe slump."

Mr. Obuchi's speech came less than a week after he reshuffled his cabinet to inaugurate a conservative coalition between his Liberal Democratic Party and the opposition Liberal Party.

During the regular session of the legislature, which lasts through mid-June, the two parties hope to pass bills seen as vital to the country's economic recovery.

Despite the coalition, however, Mr. Obuchi's government still lacks a majority in the upper house of Parliament and will need help from other parties to pass legislation. There was no sign Tuesday that they would have an easy time getting it.

The chairman of Japan's Communist Party, Tetsuzo Fuwa, said Mr. Obuchi's speech was full of "hassleless optimism," according to Kyodo.

Mr. Obuchi's call for op-

timism was not bolstered by a monthly report Tuesday from the Economic Planning Agency, which said that despite mild improvements, the economy remained stuck in its prolonged slump.

While consumers were spending a little more and bankruptcies had slowed, more people were out of work and companies were investing less, the agency said in its December report, calling the problems of the economy "very severe."

Also on Tuesday, a private credit research company said that the recession caused corporate bankruptcies to soar 17.1 percent to 19,171 cases in 1998, the second highest level since World War II. Debt left behind by collapsed companies rose 2.6 percent to 14.38 trillion yen (\$126 billion), the highest since the war, said the Teikoku Dainbank Ltd.

The country's inability to shake off its recession has been blamed as a major drag on economies around the region. Since Japan accounts for two-thirds of Asia's economy, the country has a responsibility to actively contribute to the stability of other Asian economies, Mr. Obuchi said. (AP, Reuters)

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Leo Echegaray, convicted of raping his stepdaughter, praying beside his wife, Zenaida, during their wedding last month inside the Philippines' National Penitentiary. He now faces execution by lethal injection.

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EUROPE

New French Book Offers a Controversial View on Sovereignty

By John Vinocur
International Herald Tribune

PARIS — Woe to the man here who says his country, minus a lot of its beloved prerogatives, would be better off in a new supranational Europe. Special woe to the Frenchman who couldn't quickly explain how a new, less vainglorious France would wind up leading a united Europe-to-be as its most willful and ambitious component.

Alain Duhamel, one of France's most knowledgeable political commentators, manages both the dare and the saving clarification in his new book about his country's role in the future of Europe, and thereby escapes from pariah status. It is a clever construct he offers up in "Une Ambition Française" (Pion), a book whose central interest is the insight it provides on at least one variety of French reasoning on retaining French influence in a Europe moving toward integration and diminished national sovereignties.

The book comes at an uncertain time. After the launch of the euro, the European Union is puzzling about its next steps: institutional reform, enlargement, real foreign policy coordination, creating a defense force that can carry out missions without American participation.

To the extent that creating the euro meant a surrender of power only for the Germany of the Bundesbank — and a net gain for the EU partners achieving parity with it in monetary policy-making — other European nations have not had to deal yet with giving up big slabs of symbolic national power.

Now, that time is approaching. Britain has been famously recalcitrant, less obsessively, Denmark has been too. With its agricultural subsidies and power-sharing providing a permanent hand on Germany's hip, France had regarded Europe as a basically good deal and one not incompatible with French needs for self-affirmation and attempts at world resonance.

For these days, Mr. Duhamel argues, France has become a melancholy place, worried by the specters of decline and diminished identity. With every small step toward more basic European integration come remarks like one this week from Prime Minister Lionel Jospin that it will be made "without loss of our national identity."

This is not courageous stuff in Mr. Duhamel's view. In order for it to redress a role and a "horizon worthy of its necessary dreams," France must throw itself into Europe with a degree of intensity it could not demonstrate before. The fact remains in France, he said in a conversation, that the politicians attacking transfer of sovereignty to Europe are much more self-assured than those few who actively put their careers on the line for it.

Because it has a political culture of willfulness, because it has always held a key role in the European Union, because Germany will continue to operate under its historical burdens and because

France irritates but never frightens, Mr. Duhamel argues that it has more "assets" for European leadership than its partners. But it must consent to change.

"Shared sovereignty is a promise of shared power," he said. "Barred sovereignty is the certainty of decline." For Mr. Duhamel, this shared sovereignty would mean giving up elements of what he calls the most inherent powers of the nation state. Such a move could win over its partners to accept the depth of French conviction.

In the same way, he has suggested outside the book that French reintegration of a more completely Europeanized NATO would serve as a gauge of French consideration for the concerns of the rest of Europe.

Mr. Duhamel defines the spirit of the Europe that France could lead as that of a collective great power that would be the friend and ally of the United States — but also its "rival." And it is here that the book has come in for criticism as an interesting formulation but not one

based on a realistic assessment of the attitudes of the rest of Europe.

Alain Peyrefitte, information minister under Charles de Gaulle and a reference point in French discussions about national independence, said the problem with Mr. Duhamel's thesis was that it proposed sacrifices for France without providing any evidence that they be received with understanding elsewhere in Europe. Mr. Peyrefitte said he had serious doubts.

He wrote, "European Europe, Europe as a power, a de-Americanized Europe, yes; but de Gaulle knew well that this was not easy to achieve. We're far from it. Our partners are not on the same national or Euro-national wavelength that we are. They accommodate themselves perfectly to American domination. We're the only ones it pains. Rhetorically, you can reconcile national greatness and European greatness. But it's a good risk that it will remain a Franco-French discussion for a long time to come."

BRIEFLY

Sick Yeltsin Delays A Visit to France

MOSCOW — Because of his bleeding ulcer, Boris Yeltsin postponed Tuesday a trip to France next week and the Russian president's doctors said they hoped to decide Wednesday whether he will have to undergo surgery.

Regardless of whether he has an operation, Mr. Yeltsin's already limited schedule will be scaled back even further on doctors' orders. He may be hospitalized for up to three weeks and should not travel abroad for as long as three months, his doctors said.

Mr. Yeltsin, 67, who has been in the hospital since Sunday, planned to travel to France on Jan. 28. It would have been his first trip abroad since he cut short a visit to Central Asia in October, also because of illness. (AP)

German Express Jumps the Tracks

HANNOVER, Germany — One of Germany's premier high-speed trains derailed minutes after it left the Hannover station Tuesday. The police said no one had been injured.

The InterCity Express train, bound for Berlin, was traveling at 40 kilometers (25 miles) an hour, a fraction of its top speed, at 1 P.M. when two cars jumped the rails, a German railway spokeswoman said.

The cars remained upright. The cause of the derailment was not immediately clear. (AP)

New Greek Scandal

ATHENS — Greece's embanked former first lady, Dimitra Liani, hit back at critics Tuesday, saying that tax fraud charges against her were really aimed at her late husband, Andreas Papandreu.

In a statement published in the Greek press, she said she was determined to fight the charges, which accused her of lying about the price paid for a villa that the former prime minister bought for her.

"I am not the target, Andreas Papandreu is," she said of the charges filed Monday by the Athens public prosecutor. "Some want to doubt the clarity of his historical contribution." (Reuters)

By Coincidence, Bonn Leads Europe

And by Design, Schroeder Tackles Vast Economic and Security Issues

By John Schmid
International Herald Tribune

BONN — From Washington to Warsaw, the world is about to meet the New Germany.

Thanks to a rare convergence of diplomatic fate, the three-month-old government of Chancellor Gerhard Schröder is launching what amounts to a six-month road show, taking on a bulging dossier of global economic and security issues and an unusually conspicuous international role.

Along the way, Bonn already has struck an unfamiliar and more assertive tone. After decades of dealing with powerful but predictable Germans, some European diplomats say they are struggling to come to terms with Bonn's generational and ideological shift.

Since the beginning of this month, Bonn has simultaneously held the rotating six-month presidency of the 15-nation European Union, the year-long presidency of the Group of Seven wealthy industrial economies and the year-long presidency of the Western European Union, a 10-nation charter meant to forge an elusive common European defense and security identity.

"We will see how competent the new government really is on foreign policy," said a diplomat based in Germany.

The first three months of Mr. Schröder's chancellorship have been anything but easy, overshadowed by ideological feuds within the coalition, a backlash from industry and a surprise economic slowdown. To the rest of the world, the next six months could be at least as nerve-racking.

Major decisions are pending in both the EU and G-7, few of them routine and many inherently divisive. Several will directly influence the future of Eastern

and Western Europe. They range from politically explosive overhauls of the EU's budget and its large farm subsidies to what Mr. Schröder calls a restructuring of the world's "financial architecture" meant to tame destructive global markets.

Mr. Schröder, who began his job with little foreign policy experience, also confronts a series of security issues for the first time. Bonn has been wrestling with its stance on nuclear doctrine and preconditions for peacekeeping missions ahead of the

50th anniversary summit of NATO in April in Washington, where the alliance aims to redefine its role in a changing world for the next century.

Ironically, a government elected almost entirely on domestic issues will find itself measured with a baptism of fire of its diplomatic skills.

"Even a seasoned government would have difficulties with this agenda," said Steffen Sachs, deputy director of the Berlin-based Aspen Institute, a think tank on Atlantic relations. Mr. Schröder's government was only 66 days on Jan. 1 when it took center place on the world stage.

Ordinarily, the historic inauguration of the euro, the EU's common currency, itself would have been enough to occupy any EU presidency.

But equally pressing is the issue of Europe's post-communist order. Failure to push through sweeping reforms to the EU's convoluted \$100 billion annual budget risks a delay in a proposed EU enlargement to accept new members in Central and Eastern Europe. Without reforms, the EU budget would collapse if the comparatively poor nations in the East, which have boggling farming populations, made claims on EU farm and regional aid systems.

Time is short. Mr. Schröder wants to reach agreement on EU financial and structural reforms at a special EU summit on March 24 and 25. Getting major EU reforms behind him would allow Mr. Schröder to prepare for other business at the regular EU summit on June 3 and 4 and the G-7 summit from June 18 to 20. Both will take place in Cologne.

Mr. Schröder concedes that the challenges are "very ambitious" but insists that they are achievable. "It is an art to keep so many issues simmering without letting more than one boil over," said a German official.

Even Mr. Schröder's supporters concede the tasks are tough. "I am sure that he will show that he is committed to the EU and its progress, and that will give him a basis to succeed, but it will be a difficult political undertaking," said Karl-Heinz Klaer, a political strategist in Bonn and EU specialist in Mr. Schröder's Social Democratic Party.

Mr. Schröder must rely on what some observers deem a relatively inexperienced team. His Social Democrats have been out of power for 16 years, and his alliance partners, the environmental Greens, barely elected 16 years ago.

"The new government might not be able to cope with the role thrust upon them," Mr. Sachs said.

Merely by being elected, Mr. Schröder inherited most of his dizzying agenda. But he also has added to it abundantly and raised expectations for himself. At this point, observers might want scorecards to keep track of positions. Besides the existing raft of issues, Mr. Schröder wants agreements on tax harmonization within the EU, a vaguely defined European employment pact and a hard-fought reduction in Germany's payments to the EU budget.

Nowhere is the new German tone more evident than in Mr. Schröder's repeated calls to reduce Germany's contribution to the EU budget. At 22 billion Deutsche marks (\$13 billion), it is about four times more than anyone else pays.

Few expect Mr. Schröder to win more than a symbolic cut of one or two billion marks. But by German standards, his tone recalls Margaret Thatcher's angry demand for a \$3 billion EU budget rebate in 1984.

NATO's staff in Brussels also chafes at the new-found confidence. Goaded by the anti-nuclear Greens, Bonn has urged the U.S. and other NATO partners by suggesting that NATO renounce first use of nuclear weapons.

Even after the U.S. last year soundly rejected any changes to such a central pillar of deterrence, the German delegation continues to push for changes in the phrasing of NATO's nuclear doctrine, insisting on a further reduction of the dependence on nuclear weapons with the long-term goal of worldwide disarmament.

By contrast, the United States and Britain want to preserve the nuclear doctrine as it was revised in 1991, when the weapons were relegated to a threat of last resort.

Germany's approach to G-7 issues also flies in the face of U.S. positions. The G-7 gives Finance Minister Oskar Lafontaine a wide stage to push his ideas for exchange-rate controls to limit fluctuations among the dollar, euro and yen. Although Mr. Lafontaine has won converts in France and Japan, the U.S. remains staunchly opposed to the idea.

If Mr. Schröder succeeds in his vast EU agenda, he will establish himself in the top leagues of European power brokers. But other EU officials still struggle to see where he will find compromises, raising the prospect that Bonn will only achieve symbolic victories.

To succeed in the EU, Mr. Schröder risks straining ties with the French and his own powerful German farming lobbies. The French see EU agriculture funds, which eat up almost half of the EU budget, as both a cultural heritage and a vital pacifier of French social peace. To the French, "anyone who attacks the agriculture budget attacks the French government," a diplomat said.

Attempts to reduce "structural funds" — aid to poorer EU regions — will spark confrontations with Spain. Despite Mr. Schröder's guarantees of foreign policy "continuity," Germany's partners wonder how the New Germany will evolve. To the United States, which often counted on Germans in the past to nudge other Europeans toward common positions; that role is no longer so clear, observers say.

"This government comes from the sixty-eight generation and they are used to questioning authority," an observer said. "You have a crowd that reacts differently."



VIOLENCE EN ROUTE — Romanian coal miners clashing with the police at Petrosani, 300 kilometers from Bucharest, on Tuesday as 10,000 miners continued marching to the capital to protest government plans to restructure unprofitable industries such as mining.

BOOKS

WIDE OPEN

By Nicola Barker. Ecco.
\$23.95, 290 pages.

Reviewed by Rachel Hartigan

IN one of the few lucid comments made by any of the oddball characters in Nicola Barker's new novel, "Wide Open," one named Sara says:

"Sometimes I feel like my whole life has been a loog, loog wait for something horrible that never actually happened. Like I've been in water, up to my neck, fighting to stay afloat, year after year. But if only I'd felt for the bottom I'd have found it. It was there. The ocean bed, just below where I was treading. It was there."

She and the rest of Barker's strange folk spend the novel nervously reaching out with their toes for that solid ocean bed.

Sara, the most stable of the lot, raises her head in the cheerless English beach town of Sheppey. Her daughter, Lily, whose organs never "finished forming," worships an imaginary demon sprung from the

actual miscegenation of a pig and a bear. Luke, who just rented one of the "prefabs" on the beach, made his fortune in "dot-to-dot pornography," which he describes as "a photograph, only partially revealed, with the rest of the page numbered and dotted so that you can take a pen and fill in the pornographic segment yourself."

Luke's neighbor Ronny sprays pesticides for a living but also once killed a girl. His estranged brother, Nathan, works in the London Underground's Lost Property department. Connie, an optician, seeks out Ronny because she has some of his letters. And Jim spends his time standing on an overpass in London waving to traffic.

Any one of Barker's characters would be sufficient fodder for a quirky short story. Sometimes it seems that that's what we have here: a novel full of short-story protagonists who keep running into each other in tiny Sheppey, to both the reader's and the character's discomfort. All of these lost souls are on the defensive, shells on and walls

up, all of them except Jim. When Ronny first meets him, Jim "seemed wide, wide open," whereas Ronny "prided himself on being shut right up." When the friendless Jim inexplicably takes to Ronny, the two begin an Icarus-like friendship in which they gradually assume each other's characteristics.

Now here's where it gets complicated: Jim had already changed his name to Ronny and demands that Ronny change his to Jim. Ronny (the former Jim) shaves off his body hair to more closely resemble the alopecia-afflicted Jim (the former Ronny) while Jim (Ronny, remember?) starts picking up some of Ronny's (Jim's) peculiar habits: using only his right hand and barely eating, for example.

"Jim was willing, if Ronny wanted," writes Barker, "to give himself over. To give himself up for Ronny." (If this sounds confusing here, it is in the book, too. From now on, though, Ronny is Jim and Jim is Ronny. Got it?)

Although "Wide Open" is crowded with bizarre but entertaining plot twists, Lily's battle with her demon, the search for a runaway bear, and Sara and Luke's abbreviated affair, to name just a few — the main impetus of the novel is the salvation of Jim and his brother, Nathan. Raised by a violent pedophile, each puts to rest the horrors of his childhood by offering up his grief to his own personal, and peculiar, Jesus: Jim offers his to Ronny and Nathan offers his to a painting of his ideal Christ.

Things go downhill for Ronny and Jim's friendship when Ronny finds some letters that hint at Jim's sinister past (he helped his father

murder a girl). Poor "malleable" Ronny has taken on more than just Jim's name and hairlessness — he has also taken on his sins.

Gentle Nathan, terrified that he shares the same murderous sexual urges as his father and brother, finds his Jesus in an art book left with Lost Property. The painting featured in it, Antonello da Messina's "Pietà," is a picture of what appears to be a sexually spent Jesus with an angel who looks suspiciously like Connie hovering over him. Connie thinks the painting is about "Ronny ... It's about forgiveness ... and it's about sex." With this explanation, Nathan finds a savior who can understand and dispense with his fears: "This worldly Jesus would not turn away from sin. No. He would embrace it. Here, in this dark savagery, Nathan told himself, lay a final complete and absolute understanding."

Alas, that understanding does not extend to the reader. This is a deeply perplexing novel which constantly hints at greater meanings and profound symbols but doesn't always deliver. It's a book in which nothing is ever completely explained. So, while the novel is worth reading for Sheppey's bleak ambience and the many choice phrases (Lily's demon "inked up her mind like an octopus"), the reader shares Luke's feelings when, explaining his disenchantment with the subterfuge of dot-to-dot pornography, he says, "I want everything clear and clean and open. Not just bits and pieces. Is that wrong of me?"

Rachel Hartigan, a writer and editor, wrote this for The Washington Post.

BEST SELLERS

| The New York Times | | | |
|--|--|-----------|-------------|
| This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive. | | | |
| FICTION | | | |
| Yrks | | Last Week | Wks on List |
| 1 | A MAN IN FULL, by Tom Wolfe | 1 | 9 |
| 2 | THE POISONWOOD BIBLE, by Barbara Kingsolver | 4 | 12 |
| 3 | THE SIMPLE TRUTH, by David Baldacci | 8 | 7 |
| 4 | WHEN THE WIND BLOWS, by James Patterson | 6 | 10 |
| 5 | SEIZE THE NIGHT, by Dean Koontz | 1 | 1 |
| 6 | MEMOIRS OF A GEISHA, by Armin Gelden | 12 | 60 |
| 7 | HARRY POTTER AND THE SORCERER'S STONE, by J. K. Rowling | 13 | 4 |
| 8 | BILLY STRAIGHT, by Jonathan Kellerman | 1 | 1 |
| 9 | BAG OF BONES, by Steve Hock | 2 | 15 |
| 10 | CHARMING BILLY, by Alice McDermott | 11 | 4 |
| 11 | RAINBOW SIX, by Tom Clancy | 3 | 22 |
| 12 | ANGELS FLIGHT, by Michael Connelly | 1 | 1 |
| 13 | MESSAGE IN A BOTTLE, by Nicholas Sparks | 29 | |
| 14 | THE LOCKET, by Richard Paul Evans | 15 | 12 |
| 15 | THE VAMPIRE ARMAND, by Anne Rice | 5 | 12 |
| NONFICTION | | | |
| 1 | THE GREATEST GENERATION, by Tom Bracken | 1 | 5 |
| 2 | TUESDAYS WITH MORRIE, by Mitch Albom | 3 | 65 |
| 3 | THE CENTURY, by Peter Jennings and Todd Swartz | 2 | 7 |
| 4 | THE PROFESSOR AND THE MADMAN, by Steven Wachsman | 5 | 16 |
| 5 | BRINDA MARI'S STUFF, by Sherry Sefton and Christopher Drew | 4 | 7 |
| 6 | A WALK IN THE WOODS, by Bill Bryson | 9 | 30 |
| CONVERSATIONS | | | |
| | WITH GOD: Book 3, by Neale Donald Walsch | 15 | 9 |
| | CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch | 106 | |
| 9 | THE AMERICAN CENTURY, by Harold Evans with Gail Buckland and Kevin Baker | 12 | 7 |
| 10 | WE INTERRUPT THIS BROADCAST, by Joe Garmer | 6 | 5 |
| 11 THE DEATH OF OUTRAGE, by William L. Bennett | | | |
| 12 | LINDBERGH, by A. Scott Berg | 7 | 16 |
| 13 | SHAKESPEARE: The Invention of the Human, by Harold Bloom | 10 | 15 |
| 14 | THE TEN COMMAND FREEDOM, by Laura Spigelman and Stewart Vogel | 14 | 17 |
| 15 | THE ENDURANCE, by Caroline Alexander | 11 | 5 |
| ADVICE, HOW-TO AND MISCELLANEOUS | | | |
| 1 | SIMPLE ABUNDANCE, by Sarah Ban Breathnach | 119 | |
| 2 | ONE DAY MY SOUL JUST OPENED UP, by Iyanla Vanzant | 3 | 7 |
| 3 | STEPS TO FINANCIAL FREEDOM, by Sue Organ | 2 | 40 |
| 4 | SOMETHING MORE, by Sarah Ban Breathnach | 8 | |

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The Core Question

It is no accident that the just completed arguments of the House prosecutors and the coming arguments of President Bill Clinton's lawyers — whose oral presentations were beginning Tuesday — are a kind of mirror image of one another. The House managers spent two days detailing the facts of Mr. Clinton's misbehavior and only then spent the third day of their opening presentation trying to justify why those facts amount to "high crimes and misdemeanors." By contrast, the president's briefs begin by stressing that the conduct, even if true, does not meet the constitutional standard for removal from office, and only go on to deny the allegations.

Although its presentations on the subject of standards were made early enough, this matter remains the overwhelming weak point in the House's case against the president.

This is not because the president is correct in his contention that impeachment should be reserved only for offenses against the state or the system of government. In fact, perjury and obstruction of justice, as has been often pointed out, can easily and legitimately be framed as assaults on the judicial system that terribly undermine the integrity of that branch of government, particularly when committed by the nation's chief law enforcement officer. The reality is that whether Mr. Clinton's conduct is impeachable is, at least as a matter of constitutional law, a very close call on which reasonable minds can differ. What makes the House's position untenable is the notion, embedded in the managers' entire presentation, that Mr. Clinton must be removed simply because he could be.

In a case in which the constitutional question is as close a call as it is in Mr. Clinton's, this is a fundamental error. The House, even after determining that the president's conduct could trigger impeachment, was under no obligation to determine that it should. And the Senate, even if members determine that his conduct could support a conviction and removal, is under no obligation to convict and remove him. The reason Mr. Clinton should remain in office is not that his offenses are beneath the scope of the impeachment clause but because, even if he has committed offenses that meet the constitutional threshold, removing him is a poor exercise of the discretion embedded in the impeachment power.

This is an argument that Mr. Clinton's attorneys will probably not emphasize, as to do so would concede more than they can afford on the constitutional point that has always been at the center of their defense.

The result is that even as the House has finished arguing the overstated notion that Mr. Clinton must be removed because his offenses are potentially impeachable, the White House will begin stressing — assuming that its arguments track those in its previous briefs — the president's often embarrassing factual defenses along with the strained idea that removing him for serious felonies would clearly violate the U.S. Constitution.

When, if ever, will the focus of the debate shift to the rather simple question that is at the core of the trial: whether the removal of Mr. Clinton on these facts would be wise or make practical sense?

—THE WASHINGTON POST.

Olympic Taint

A nasty scandal has tainted the Olympic Winter Games awarded to Salt Lake City in 2002. The Olympics are supposed to represent what is purest in individual athletic striving. Past failures to meet the full terms of this ideal have not made it any the less worthy as an Olympic goal. But the Salt Lake case has an unhappy distinction of its own. Charges are ricocheting that the city bought the Games by bribing or otherwise suborning some members of the governing International Olympic Committee with college scholarships, jobs for kin or other favors.

It is now being soberly explained that other countries with different habits of business and persuasion created a context in which Salt Lake City, a site universally declared to be fit on its own terms (without bribes) for the Olympic honor, had to meet the real-world competition. This is the familiar and lame argument of "culture" trotted out to disguise what is otherwise nothing more than plain corruption. One of the year 2002's losers, the Swedish town of Östersund, also evidently fully qualified on the merits, played it straight and lost and with reason now feels cheated of a prize.

—THE WASHINGTON POST.

Eizenstat Does Well

Over the next few weeks, lawyers for Swiss private banks and Jewish Holocaust survivors and victims' families will probably sign a legal agreement committing the banks to pay a settlement of \$1.25 billion, with an additional \$200 million in humanitarian payments to indigent Holocaust survivors. The settlement will provide some justice to survivors and close a long argument over the complicity of Swiss banks, which helped finance the Nazi war effort and, when it was over, refused to return deposits by Holocaust victims to their families. It could not have happened without the efforts of Stuart Eizenstat, a long-serving U.S. government official who has brought a rare degree of energy and attention to these difficult matters.

With the support of President Bill Clinton and Secretary of State Madeleine Albright, Mr. Eizenstat has spent the last few years unearthing unpleasant but important truths about the Nazis' financial dealings with the rest of the world, including the handling of looted gold. First as undersecretary of commerce and more recently as undersecretary of state, Mr. Eizenstat directed a full exploration of Holocaust claims and has managed virtually every aspect of a web of complex issues, from arranging diplomatic conferences on looted art to supervising settlement negotiations on Swiss bank dealings.

—THE NEW YORK TIMES.

Now Keep On Rattling the Iraqi Dictator's Cage

By Thomas L. Friedman

WASHINGTON — No one quite knows how Sani Abacha died last June, but the story that has made the rounds goes like this: Several Nigerian officers who finally got fed up with his utterly venal and corrupt rule got together, imported three prostitutes from India, sent them to his villa with a poison that he somehow ingested (one report says it may have been in his Viagra). The prostitutes were back on a plane to India before his body was cold.

A senior U.S. official privy to the intelligence told me: "Let's just say Abacha did not die a natural death and he did not die alone."

When an absolute dictator becomes so evil, there is hope that other generals around him will eventually dare to eliminate him when the pressure gets intense enough. General Abacha so ran down Nigeria's infrastructure that the world's 11th-largest oil producer had to import energy.

Getting rid of an evil leader really

can make a difference. With General Abacha gone, the other generals are now biding elections to move to civilian rule, and the process so far has been relatively honest.

Saddam Hussein is more clever at keeping opponents at bay. But it is not unreasonable to think that whoever replaced him would be a vast improvement. The good news is that the Clinton administration says it has decided to focus its energy now on producing the ouster of Saddam, rather than just containing him. Almost the entire target list from the U.S. attack on Iraq three weeks ago was aimed at the generals and Republican Guards who up to now have protected Saddam.

The message on the U.S. smart bombs, which apparently killed hundreds of Saddam's palace guards, was: "Warning: Hanging Around With

Saddam Hussein Can Be Hazardous to Your Health."

Other good news: This tactic has rattled Saddam. He went off his rocker when he described fellow Arab leaders as "dwarfs" and called for their overthrow. As an Iraq specialist, Amatzia Baram, pointed out in a paper for the Washington Institute, the air strikes, by prompting Saddam to attack his Arab brethren, have isolated him more than ever from other Arab regimes.

The U.S. attack and the way Saddam just curled up and took the blows have clearly upset his core supporters in the Republican Guards, and this explains why Saddam now is trying to prove that he is still defending the nation, by attempting every day to shoot down a U.S. fighter jet — an idiotic strategy because it gives the United States the excuse to blow apart another piece of his air defense system every day.

With Saddam rattled, now is the time to really rattle his cage. Turn up the

volume on Radio Free Iraq to extra loud and call for his ouster 24 hours a day. Take steps to have him declared a war criminal by the United Nations. Blow up a different power station in Iraq every week, so no one knows when the lights will go off or who is in charge.

Offer a reward for removing Saddam from office. Use every provocation by him to blow up another Iraqi general: Tell Russia and France that if they are so eager to sell out American policy on Iraq, they should send a Russian or French jet to Baghdad and take Saddam and his top henchmen out of the country to Algeria, Moscow, Tonga or wherever they want.

The latest U.S. air strikes broke the spell of invincibility around Saddam. They proved, as Mr. Baram put it, that Saddam's "system of control and intimidation is less impregnable than previously feared — certainly strong, yet capable of being shattered."

The New York Times

With Smart Outside Help, the Opposition Could Have a Chance

By Reuel Marc Gerecht

WASHINGTON — The UN weapons inspection team in Iraq was at best a serious nuisance to Saddam Hussein. Now it is in effect no longer exists, there are only two other options. One is to try to contain Saddam through sanctions and sporadic bombing raids while waiting for him to fall. The other is to help the opposition bring him down.

There is no denying that Saddam's enemies are disorganized, Sunnis and Shiites, as well as Kurds, Turkomans, monarchists, democrats, former military officers, Marxists and pro-Iranian Islamic fundamentalists, have groups and subgroups representing their interests. Much of the opposition is in exile in Europe, Iran and the United States.

The only group that can

plausibly claim to represent most factions is the Iraqi National Congress, an umbrella organization based in London that received the bulk of U.S. aid from 1992 to 1996.

In 1996, after it became clear that Washington would not offer the rebels air support, Saddam crushed the congress's operations in northern Iraq. Now the group is financially strapped and has no paramilitary forces inside Iraq.

Still, dilapidated as it may be, the Iraqi opposition possesses several trump cards. First and foremost, ethnicity and religion are on its side.

Saddam is completely dependent on Sunni Arabs, only 20 percent of Iraq's population. He has ruled through dividing

bribing and murdering Sunni Kurds and Arab Shiites who are the vast majority of the population. Even among Sunni Arabs, he has been savage, killing when he smells dissent.

For 40 years the United States has followed British habits in Iraq, seeing Sunnis as the proper rulers. Since the Gulf War, the CIA and the Pentagon have felt that only a Sunni military coup could eliminate Saddam. But his tyranny has done much to replace age-old religious and ethnic animosities. And throughout the eight-year Iran-Iraq war in the 1980s, the Iraqi Shiites never betrayed their Sunni countrymen.

The Iraqi National Congress could help bridge the religious divide. Its leader, Ahmed

Chalabi, is a Shiite who has brought many Sunnis under the congress's banner.

It might also bring Kurds back into the fold. Some Kurds have cut deals with the Iraqi government to survive, but their loathing of Saddam is undiminished. If the Kurds were to see that Washington was finally serious about helping, they and the congress could start to harass him again in northern Iraq.

But the key to cracking Saddam's strength will be the national congress's appeal to Shiites, who may well constitute half of Iraq's army.

To help bring all the factions together, the Clinton administration should spend the \$97 million it pledged in October. Then it must drop its objections to playing favorites. By not clearly designating the national

Congress as the leader of the front against Saddam, Washington will sow dissension among the factions and betray American resolve.

Most important would be a White House statement guaranteeing air support, meaning attacks against any concentrations of Saddam's military that threaten opposition forces.

And Iraq's oil must be turned off. Current UN guidelines allow Iraq to export nearly as much oil as it did before the invasion of Kuwait.

The writer, a *Midwest* specialist for the CIA from 1985 to 1994, is author, under the pseudonym Edward Shirley, of "Know Your Enemy," about revolutionary Iran. He contributed this column to *The New York Times*.

For the IMF and Others, Lessons From the Asian Crisis

By Jack Boorman

WASHINGTON — The financial crisis in East Asia that started just over 18 months ago spread quickly, plunging many of the region's economies into recession. It also spilled over into other vulnerable countries, notably Russia and Brazil, putting a brake on world economic growth.

Backed by international assistance, some of the troubled East Asian economies now have recovered in sight. Recovered market confidence has strengthened weakened currencies, interest rates have fallen — in South Korea and Thailand — below pre-crisis levels — and recessions appear to be bottoming out.

From the outset, the crisis has been fraught with controversy, in particular about the role of the IMF. Now, with signs that the worst may be over, it is time to examine the lessons.

The IMF is making its contribution to this debate in a report entitled "IMF-Supported Programs in Indonesia, Thailand and Korea: A Preliminary Assessment." Released this Tuesday, it looks at how the crisis developed, the policy responses in Thailand, Indonesia, and South Korea,

and the early results of programs supported by the IMF with the cooperation of the World Bank, the Asian Development Bank and bilateral creditors.

The report is intended to increase public understanding of the IMF's role in the crisis, and wider discussion of two other important issues: how to prevent future crises and handle those that may erupt.

The problems confronting the Asian crisis countries had many novel aspects. Of critical importance was weakness in the financial and corporate sectors that made them particularly vulnerable to sudden shifts in international financial flows. These fragilities, which had grown even as large amounts of foreign capital flowed in, were caused by weak financial supervision and other structural problems, and poor risk management by creditors.

The crisis quickly turned into a vicious circle. Capital outflows pushed the value of currencies downward, creating risks of insolvency for companies that were indebted in foreign currencies and adding momentum to capital outflows.

In a global financial market linked by almost instantaneous communications, money moves with a speed that leaves policymakers little room for hesitation.

The unusual nature of the problems called for broad-ranging remedies. IMF-supported programs attacked the underlying structural problems that caused the crisis. They attempted to break the vicious circle of capital outflows and currency depreciation, while dealing promptly with its immediate financial and social fallout.

Without a heavy emphasis on structural reforms, the programs would have been a costly effort to treat symptoms without addressing causes.

Another key focus was creating or strengthening social safety nets to help the people most painfully affected by the crisis. In this area especially, the IMF worked closely with the World Bank and the Asian Development Bank.

The immediate instability left little choice but to take tough monetary action to overcome the risk that rapidly weakening currencies would trigger a cycle of depreciation and in-

flation. At the same time, policies had to avoid excessive tightening, because this, too, could undermine recovery.

Currencies continued to fall initially, but exchange rates strengthened again as monetary policy was tightened and market confidence recovered. Interest rates then eased.

Budget policy sparked a controversy far beyond the economic impact of modest initial tightening.

When the programs were launched, some tightening was warranted, not least to meet part of the heavy costs of financial sector restructuring. This was based on the prevailing view at the time that these economies would experience a slowdown in growth, but not a deep recession. This tightening was reversed when the recessions turned out to be deeper than expected and it became clear that expansive budget policies were needed.

Still, in discussing the report, some of the IMF's executive directors expressed the view that a stronger fiscal stimulus should have been delivered more promptly as the true extent of the economic slowdown became apparent.

The initial programs assumed that policies would bring a reasonably quick return of investor confidence. But, for a number of reasons, including political developments and problems in the way the substance of the programs was communicated to the markets and the public, events turned out otherwise. Capital continued to exit even after the programs were introduced. This withdrawal of foreign financing forced the economies into massive adjustments at the price of severe recessions.

The behavior of capital flows points to some of the lessons that need to be drawn from the crisis. The fact that so many external creditors could pull

their money out at short notice was one of the main reasons why the crisis began and continued to spread. It also meant that, once the crisis started, the success of any policy response would hinge on how the markets reacted.

Could the crisis have been made less severe if the countries had imposed an involuntary debt restructuring on their creditors, accompanied by capital controls? This is attractive, but only superficially. A heavy-handed attempt to bail private creditors in one country can add momentum to capital flight elsewhere.

These are examples of issues that are being examined carefully in connection with the current discussion on reforming the international financial system. The experience in Asia means that we have to look closely at possible ways of involving private creditors in resolving financial crises.

Another critical question is whether capital controls or prudential measures can limit short-term and potentially volatile capital inflows before a crisis erupts, reducing vulnerability to a shift in market sentiment. More generally, what is the right way for a country to open up to foreign capital?

The crisis also points to the need for creditors to have better information so that they can do a better job of managing risk. This concern is reflected in current international efforts to improve economic data, make budgets and monetary policy more transparent, and build on internationally agreed standards in accounting, disclosure, bankruptcy codes and other areas critical to the functioning of private markets.

The writer, director of the IMF's Policy Development and Review Department, contributed this column to the *International Herald Tribune*.

A Speech to Keep Clinton Going

By E. J. Dionne Jr.

WASHINGTON — A high White House official described the State of the Union address as "a substance shock for the country." His point was that after months in which coverage of the president had been dominated by scandal, it would come as a surprise this Tuesday night to hear a solid hour or more about Social Security, education, health and child care and job training.

That was why the president resisted postponing his speech while the Senate deliberates on whether to throw him out of office. It was not just that this is always his favorite speech — it is so choicest-full of policy. Nor was it just that this address has always made his poll ratings go up. In the current circumstances, this speech would seem to put Mr. Clinton on the majority side of a large divide in the country.

The White House saw it this way: "They," meaning mostly the Republicans and the media, want to talk about the impeachment trial. "We," meaning the president, his party and the apparent majority, want to talk about matters that, as the Clintons like to say, "affect people's lives."

The speech was likely to underscore the utter strangeness of the Senate debate.

The Senate tries to pretend that it is a body of neutral "jurors." That is an absurd metaphor, as Senator Tom Harkin, Democrat of Iowa, pointed

out. Almost every senator would be disqualified from a real jury for bias, one way or the other. And any judge would toss them right out of the courtroom for all their outside-the-chamber chatter for the benefit of television, radio and the newspapers.

While the "jury" deliberates, most members of Congress, on matters ranging from tobacco taxes to Social Security, act as if Mr. Clinton will be the president they will be dealing with once the Senate unpleasantness is over.

All the players are preparing for the post-impeachment world. While the public focus has been on the trial, the underlying political situation has changed substantially.

A year ago, the conventional buzz saw the idea of creating individual accounts carved out of Social Security as oo the ascendancy. Privatization plans proliferated. Supporters of Social Security as it currently exists voiced dark fears that the Clinton administration would cave in to the privatizers.

The privatizers overplayed their hand, unleashing a wave of organizing by their opponents. The Clinton administration's interest in privatization, to the extent that it existed, waned. Now White House officials predict that any Social Security reform

that the president gets behind will be designed to save the system as it is.

The administration is still walking a careful line on Social Security. As one official says, Mr. Clinton wants to "keep the Democrats on board" by committing to the existing system, but also "extend a hand to Republicans" by addressing the issue of private savings. One of the challenges of the State of the Union speech was how to balance these objectives to keep the possibility of Social Security reform alive after the Senate finishes the trial.

Or take the "bill of rights" that would give patients more opportunities to challenge treatment decisions by managed care plans. The proposal failed in the last Congress, but it was a useful issue for many Democrats in the congressional elections. Bruce Reed, the White House domestic policy director, notes that the bill lost so narrowly in the House that the addition of five new Democrats in November gives the proposal at least a theoretical majority now.

The political winds also seem to be blowing in favor of after-school programs, job training and education. Mr. Clinton is counting on those winds to be at his back, both in surviving the Senate trial and in rebuilding his presidency after it is over.

The Washington Post

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Editor: Joe Michael Richardson, 5 Canham Rd., Singapore 119400. Tel: (65) 472-7768 Fax: (65) 274-2334
Mrs. Dr. Asia, 1001, 191 Joo Road, Hong Kong, Tel: (852) 3022-1188 Fax: (852) 3022-1190
Gen. Mgr. Germany: J. Schöten, Friedrichstr. 15, 10117 Berlin, Tel: (49) 30 97125040 Fax: (49) 30 97125030
U.S. Office: 350 Third Ave., New York, N.Y. 10022, Tel: (212) 725-3800 Fax: (212) 725-3799
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OPINION/LETTERS

Bipartisanship at Trial? Closer to a Rightist Coup

By Anthony Lewis

BOSTON — Were the House Republican prosecutors talking about the president or about a Mafia don? Their language was sometimes so extreme — "conspiracy," "infamy" — that it was hard to tell. The very shrillness of the attack signaled the dual nature of this impeachment trial. It has the trappings of a trial: a great and solemn one, as the commentators keep saying. But it is also the culmination of years of political effort by a passionate minority to destroy this president.

It began five years ago, when a far-right magazine, *The American Spectator*, printed an article by David Brock about the Arkansas troopers who guarded Bill Clinton when he was governor. The article quoted a trooper as saying a woman named Paula was willing to be the governor's "regular girlfriend." Mr. Brock has since said he regrets throwing in that name. Six weeks later Paula Jones came forward and demanded that Mr. Clinton apologize for the slur on her reputation.

Where did she do that? At a Washington conference of the Conservative Political Action Committee. Her lawsuit, when it followed, was supported — indeed, made possible — by hundreds of thousands of dollars from conservative sources. Later in the same year as the Brock article, 1994, Congress renewed the Independent Counsel Act. The act sets up a special court to appoint the counsels. The practice had been to pick a judge of seniority to head the panel. But Chief Justice William Rehnquist chose a junior member of the U.S. Court of Appeals for the District of Columbia, David Sentelle, a deeply conservative Republican and a friend of the two far-right Republican senators from his state, North Carolina: Jesse Helms and Lauch Faircloth.

A moderate Republican, Robert Fiske, had been investigating Mr. Clinton's role in the Whitewater land deal. But after Judge Sentelle had lunch with Senators Helms and Faircloth, the judicial panel replaced Mr. Fiske with Kenneth Starr.

Having found nothing to use against the president in more than three years of investigation, Mr. Starr a year ago threw his im-

mense resources into the Monica Lewinsky matter. No detached, professional prosecutor would have undertaken such a case. Robert Morgenthau of New York, perhaps the most respected prosecutor in the United States, said last week that Mr. Starr had violated "every rule in the book."

Mr. Starr acted as an agent of the House of Representatives: a profoundly anti-constitutional politicization of the law. One of the most strident conservatives in the House, Tom DeLay of Texas, the Republican whip, led the cry for impeachment.

Many of the key players in this history come from the old conservative Republican heartland, the South and Southwest: Mr. Helms, Mr. Faircloth, Judge Sentelle, Mr. Starr, Mr. DeLay and now Trent Lott, the Senate majority leader. Mr. Lott's talk of bipartisanship is just that, talk — occasioned by his concern that 13 Republican senators are up for reelection next year in states that President Clinton carried in 1996. He is doing all he can to convict.

Of course, not all the Republicans involved in the campaign against the president, or sitting in judgment now, are on the far right. Political interests push others to join. Exactly that happened with Senator Joseph McCarthy in the 1950s; many Republicans sought political advantage in his demagoguery.

But the essence here is an attempted coup by ultraconservatives. I do not doubt their sincerity. That is what makes it terrifying. When Tom DeLay says this is "about relativism versus absolute truth," he speaks the language of totalitarianism.

I think America is better than the scene being played out in the hothouse of Washington. Americans are more diverse, less strident, more understanding about human nature.

In his closing speech for the House prosecutors, Henry Hyde said he hoped that "a hundred years from today, people will look back at what we have done and say, 'They kept the faith.'"

I think it will take much less than a hundred years for historians to see this for what it is: a vengeful attempt to twist the constitution into a partisan tool.

The New York Times



LETTERS TO THE EDITOR

Genocide in Full Color

Regarding "Dictators Are Watching the Khmer Rouge Case" (Opinion, Jan. 14):

Anna Husarska's comments about the implications of the Khmer Rouge case are profoundly disturbing to me, even more so than the Holocaust in Europe 60 years ago.

Why? Because, horrifying as it was, the Holocaust was before my time. But over the last few decades I have witnessed in the news one genocide after another — Bosnia, Cambodia, Uganda, Rwanda, just to name a few. The ghastly extent of the death camps in Europe was not fully known until after World War II ended.

The disquieting difference is that all of us have been fully aware of the events in Cambodia and elsewhere because we have watched them (comfortably) in our living rooms, in peacetime, in full color, night after night.

As for Bosnia, only a dead man could be unaware of the mass murders in Srebrenica and Vukovar, of the civilians casually picked off like fish in a barrel by snipers in the hills outside Sarajevo, and of other atrocities by Serbia.

Through all this, despite an extremely well-informed public,

there has been no mass indignation, no widespread moral outrage. And without grassroots revulsion, what can we expect from our elected leaders, to say nothing of concerted international pressure, whether judicial, financial or diplomatic, to hold genocidal criminals accountable for their actions?

FRANCES SIRANOVIC
Bangkok

Note These Stereotypes

The arrival of the euro will not only create problems for international financiers but also for cartoonists. While it was relatively easy to depict the French (beret and baguette), the British (bowler and umbrella), the Germans (lederhosen and beer mug) and the Dutch (wooden shoes), how are they going to represent the citizens of "Euroland"?

JOHN SOMERHAUSEN
Brussels

Gloom or Brighter Days?

An increasing number of news articles are dealing with the empirical evidence of climate change: extreme weather, rising ocean temperatures, melting polar caps and so forth. Opinion pieces by scientists are using a language of extreme urgency.

On the other hand, the business pages continue to abound with auto industry executives speaking excitedly of the future growth markets of China and India.

Leaders of industry and finance seem to believe that growth based on fossil fuel can proceed endlessly without regard to the most basic ecological facts that can be easily ascertained by reading a newspaper's news and editorial sections.

ALEXANDER ZAITCHIK
Prague

A Recipe for Survival

Regarding "It's Getting Late to Switch to a Viable World Economy" (Opinion, Jan. 19) by Lester Brown and Christopher Flavin:

The writers express concern for the rise in consumption of world resources, but there is one step we can all take to slow this result: Stop eating meat and fish.

The impact on the environment of this unnecessary step in the food chain is significant.

As the creative Hong Kong vegetarian restaurants show, any Chinese dish can be made with meat substitutes and without relying on mile-long large-haul ocean nets.

BILL ELDRIDGE
Hong Kong

No Surprise That Clinton Is Confused About Sex

By Ellen Goodman

BOSTON — Here it is, the first anniversary of life with Monica Lewinsky and someone finally got fired on account of sex.

No, not Henry Hyde, the corpulent adulterer lecturing us about broken oaths. Not Bob Barr, the twice-divorced champion of the Defense of Marriage Act. Not even Bill Clinton. Not yet.

The man handed his walking papers was George Lundberg, a

you "had sex" with someone if the most intimate behavior you engaged in was...? The students were then given a list of options from kissing to intercourse.

Everyone agreed that intercourse counted, but 2 percent also thought that kissing was "having sex" while 18 percent thought that anal intercourse was not. And in the infamous statistic, 60 percent of these overwhelmingly conservative students did not think oral sex was "doing it."

MEANWHILE

Somewhere between the first and second Clinton administrations, the researchers broke this news to doctors at various conferences. Then last January, as Dr. Reinisch remembers all too clearly, "we hear all these pundits, lawyers and senators saying very strongly that all Americans believe that oral sex is sex. We had the data to show that wasn't true."

So they wrote it up, sent their paper for peer review and had it accepted. The rest is history, as is George Lundberg.

"I was not at all surprised that 60 percent of young people don't count anything but intercourse," Dr. Reinisch said. "Haven't you heard of 'technical virginity'?" There's also something called "technical fidelity."

I, too, think this is President Clinton's story. If he was not, well, satisfied, it did not count. If he did not touch her in return, it did not count. If it was only oral sex... you get the idea.

Think Mr. Clinton is confused? Consider an October poll showing that 81 percent of people in post-Monica America do think oral sex is a "sexual relationship."

So what is sex? "There is no right answer," Dr. Reinisch said. "It's what people think it is." Her own definition of an unfaithful husband, however, is closer to my own: "I tell my husband — it is if he has a romantic candlelit dinner."

This reminds me of an event in Hawaii last month at which an older woman with a thick Viennese accent brought down the house with a complaint that she did not understand all this American talk about sex. In Europe, she said, this is not sex; it is foreplay.

Maybe the Republicans are right. Maybe this impeachment is not about sex after all.
Boston Globe

HERE IT IS — THE NEW NAME FOR TWO STRONG PARTNERS.

TOGETHER, WITH OUR COMMON STRENGTHS, WE'LL BE ABLE TO REACH

THE HIGHEST GOALS. WATCH OUT DAX, HERE COMES

Degussa-Hüls

Specialty chemicals now have a new spelling: Degussa-Hüls AG. The company will have 46,000 employees and will start with sales of more than DM 20 billion. Degussa-Hüls — an attractive new international company with high growth potential based on the combined strengths of two established firms. Degussa-Hüls — the latest word for more expertise, more commitment, more innovation.



INTERNATIONAL

More NATO Air Strikes on Serbs? A Daunting Test for Alliance

By Roger Cohen
New York Times Service

BERLIN — Even as NATO warned Yugoslavia to cease a ground offensive in Kosovo or risk air strikes, the alliance faced enormous obstacles in ever carrying out such a threat.

Senior NATO officials in Brussels conceded that Western policy was in disarray, complicated by the deployment in Kosovo of hundreds of international monitors who would have to be removed before any bombing got under way.

This potential problem was evident from the moment Richard Holbrooke negotiated a flimsy, largely oral accord last October that briefly stopped the fighting in Kosovo without setting a basis for a political agreement between the Serbian-dominated Yugoslav government and ethnic

Albanian insurgents in the province. The October agreement called for the deployment of 2,000 monitors under the auspices of the Organization for Security and Cooperation in Europe. In effect, the 700 who have arrived in Kosovo are now potential hostages, much like the United Nations peacekeepers in Bosnia between 1992 and 1995, whose presence long made NATO threats of air strikes look hollow.

"We'd have to get the monitors out before we could do anything," said a NATO official. "For that, we'd have to increase the size of our extraction force in Macedonia."

Faced by these difficulties, NATO appears inclined to look for a face-saving compromise with President Slobodan Milosevic if he is ready to step back from the brink once again. The Serbian leader, whose 11 years in power have coincided with wave after wave of Balkan violence, would have to take several steps.

NATO officials said Mr. Milosevic would have to rescind the expulsion of William Walker, the American diplomat who heads the so-called Kosovo Verification Mission; order Yugoslav Army troops back to their barracks in compliance with the October accord; and allow international forensic examination of 45 Albanian corpses found last week near the Kosovo village of Racak.

Mr. Milosevic has made a habit over the past decade of employing ruthless violence and then reining in his forces as Western threats escalated. He has thus spared the heartland of Serbia any destruction while states around him were devastated.

In this light, it is not unlikely that he will seek to calm the situation once more and that NATO will accept renewed assurances of goodwill.

But if Mr. Milosevic is defiant, or if the United States and its allies chooses not to believe him, the pressure on the West to bring greater coherence to its Kosovo policy will rapidly increase.

There are several problems in securing such coherence.

The first is the tenuous, and potentially compromising, situation of the monitors that the Clinton administration likes to call "verifiers."

As one NATO official said, "It's pretty clear after the expulsion order by Walker that Milosevic wants the OSCE people there as potential hostages, but not to do their jobs."

Mr. Walker was ordered out after using emotional language about the Racak massacre.

The second difficulty is that although Joschka Fischer, the German foreign minister, criticized the expulsion of Mr. Walker, and President Jacques Chirac of France said the Racak massacre would lead France to reconsider its Kosovo



A wounded Serbian policeman rushing Tuesday for help at Racak, the site of a massacre of local Albanians.

policy, European support for the use of NATO force is muted.

Indeed, NATO officials said that several European countries would insist that the alliance agree on a new mandate to bomb Kosovo.

France and Germany were unhappy with the mandate the alliance gave itself last October because it was not backed by a clear resolution from the United Nations Security Council.

"That was a one-off mandate; we have to get another one," said one European official.

The American view, however, appears to be that the October mandate is still valid, and could be reactivated as soon as aircraft are once again deployed in Italy and on aircraft carriers.

Alexander Vershbow, the U.S. chief delegate to NATO, said in a radio interview that NATO was "on the brink" of resorting to force.

The third problem is that the alliance has found no way of stemming the flow of arms and money to the Kosovo Liberation Army, the main force of the Albanians fighting for independence.

Ethnic Albanians account for about 90 percent of the Kosovo population. Nor has NATO found any way, after

years of Yugoslav violence, of convincing the Albanian population that their demands could be met by a political settlement rather than through force.

Clearly, any cease-fire or truce would be tenuous if Albanian fighters regarded it as largely meaningless. But because Western powers allowed Mr. Milosevic to go so far in his campaign of violence last summer, it is difficult to convince Albanians of the usefulness of moderation, NATO officials said.

In the end, NATO's deepest quandary is that whatever course it adopts — patience, bombing, even the deployment of ground troops — it will not get very far without convincing ideas for a political settlement.

The most it may achieve is what was secured with such fanfare by the United States last October — a cease-fire inclined at any moment to crumble.

"We desperately need new ideas for a political solution," said one NATO official. "Otherwise we may be making grand statements about peace in Europe at our 50th anniversary summit in Washington in April while blood flows in Kosovo. But the fact is all momentum for bringing the sides into talks has evaporated."



Besa Musliu, 9, an ethnic Albanian, winning and hiding her face Tuesday as mortar shells exploded near the Kosovo village of Petrovo.

BRIEFLY

Troops Said to Seize Port in Sierra Leone

FREETOWN, Sierra Leone — West African troops fighting rebels in Sierra Leone said Tuesday that they had won control of the port area of this capital city, a development that could make it easier for ships to deliver food and other help for starving refugees.

As a cease-fire declared by the Revolutionary United Front rebels entered its second day, a United Nations agency sounded a warning about famine in the devastated city, where the population is estimated to have swollen to a million.

Food stocks are nearly depleted and fighting is blocking food supplies from the interior of the country, the UN Food and Agriculture Organization headquarters said in Rome.

Tens of thousands of displaced residents are squatting in and around Freetown's main soccer stadium in filthy conditions, sparking fears of a cholera outbreak. (Reuters)

Baku Reports Aliyev Improves in Hospital

BAKU, Azerbaijan — President Heydar Aliyev, who flew to Turkey over the weekend to be treated for bronchitis, is doing well, according to government press reports published here Tuesday.

Pulmonary and cardiologists experts met Jan. 18 to determine the condition of the president's heart and lungs, a statement in the Baku Worker official daily said. "The present course of treatment was determined to be correct and will be continued."

The statement said that the 75-year-old president had been diagnosed with inflammation of the upper respiratory tract. (APF)

National Party Wins Again in Grenada

ST. GEORGE'S, Grenada — The governing party on this Caribbean island swept to a decisive victory in general elections, becoming the first party to win two successive terms since the U.S. invasion in 1983, it was reported Tuesday.

Prime Minister Keith Mitchell's New National Party won all 15 seats in the voting Monday, the Caribbean News Agency reported.

Mr. Mitchell scored a comfortable victory in his St. George constituency, while his major political opponents were defeated.

Grenada is a former British colony, with a population of about 97,000 and an economy based on tourism and agriculture. (AP)

Venezuelan Praises Cuban Revolution

CARACAS — Hours after returning from Havana, President-elect Hugo Chavez praised the 1959 Marxist revolution in Cuba, lamenting that in Venezuela, children still "die of hunger."

During his two-day visit, Mr. Chavez met with President Fidel Castro and the Colombian president, Andres Pastrana, to discuss Colombian rebel peace talks.

"In that country, they take care of the children in the hospitals, while here they die of hunger in the street," Mr. Chavez said Monday after his return. (AP)

U.S. to Fund Research Using Embryo Cells

The Associated Press

WASHINGTON — A federal ban on human embryo research does not apply to studies using the new "master cell" technology that might one day treat heart disease, diabetes and other killers, the head of the National Institutes of Health announced Tuesday.

Harold Varmus, the director, said his agency would soon finance such research.

At issue are embryonic stem cells, the basic or primordial cells from which all of a body's tissues and organs develop. With private funding, these cells have recently been derived from embryonic tissue and then grown in laboratories.

The hope is that scientists can learn how to use them to treat disease, but researchers have recently warned that without federal financing to do so, the work would take many more years.

Congress has banned federal money for research that involves human embryos. But Mr. Varmus said that a legal evaluation of that ban concluded that these laboratory-grown cells — which could never grow into an entire human being — do not constitute an embryo. Thus, the National Institutes of Health can finance research to use them to try to create new treatments, Mr. Varmus said.

Mr. Varmus cautioned that the National Institutes of Health would not immediately start handing out money for the research. Over the next few months, the agency, with guidance from the National Bioethics Advisory Commission and Congress, will draw up guidelines that must be strictly followed for scientists to win funding for their research.

"The scientific potential here is tremendous and we would clearly be limited" if the National Institutes of Health could not participate in such research, Mr. Varmus told the bioethics commission.

The advisory commission is studying the scientific and ethical implications of research involving human embryonic stem cells.

Scientists do not yet know how to use these stem cells to create treatments. However, these cells naturally would go on to form various tissues and organs in the body.

International Torture Treaties Apply to Pinochet, Lawyers Argue

The Associated Press

LONDON — Lawyers for Spain and Britain seeking to quash the granting of immunity to General Augusto Pinochet of Chile argued Tuesday that international conventions making torture a crime against humanity provide protection to no one, including heads of state.

The former Chilean dictator was arrested in London on a Spanish warrant Oct. 16 alleging that he ordered murders, kidnapping and torture — including the death of Spaniards — during his 17-year rule from 1973 to 1990.

But General Pinochet's lawyers contend that his arrest was illegal under

British law because the alleged acts were carried out when he was Chile's leader.

However, lawyers for Spanish and British prosecutors argued on Tuesday that international law compels Britain to extradite General Pinochet, just as it obligates Spain to prosecute him.

"We argue that it is inconceivable that the international community intended to exclude people of the highest rank of government — people who give the orders — but include public officials who were accepting those orders," Alan Jones, the lawyer for the prosecutors, told a seven-judge tribunal in the House of Lords, Britain's highest court.

This is the second time the court is considering the fate of the 83-year-old general.

Last month, the House of Lords vacated its own 3-2 ruling denying General Pinochet immunity after conceding that one of the judges voting against the general had close ties with Amnesty International, the human rights group campaigning to put him on trial.

Mr. Jones opened his case Monday by arguing that General Pinochet was not a head of state in the first months of his rule anyway, since he overthrew the elected leader Salvador Allende in a 1973 coup and initially served as head of

a military junta. Mr. Jones also said that new allegations suggest that General Pinochet directed his supporters to commit murder, torture and hostage-taking in the days before the coup — and therefore before he could make any claims of state immunity.

General Pinochet's lawyers, who will be presenting their arguments later this week, contend he was recognized as head of state immediately after the coup.

On Tuesday, Chief Lord Justice Nicholas Browne-Wilkinson said the court would ask the British Foreign Office to clarify just when Britain considered General Pinochet head of state.

KING: Jordan Leader Returns, Saying 'There Is a Lot To Be Done'

Continued from Page 1

has been coming to grips with his mortality, adapting to the idea that the rule of its dashing leader would soon give way to the more technocratic ministrations of his brother, Crown Prince Hassan ibn Talal, the designated regent and successor to the throne.

After months during which Jordanians monitored his health in minute detail, adjusted to the hair loss that he never tried to conceal from them, and prayed for his recovery, Tuesday was finally the time to set all doubts aside and celebrate with the words many worried they would never hear again: The king is back.

"Hussein is a friend, Hussein is a brother, Hussein is Jordan," the announcer for Jordanian television said as the king's plane cleared its arrival.

"All people here love him," said Raith Kordalli, a watchmaker who stood with friends near Amman's Third Circle to greet the leader. "He is a strong man

and a very good king." The motorcade moved more quickly than expected, perhaps because of the weather and concerns over the king's strength, but it also slowed at spots to let the crowd gather in waves around their monarch.

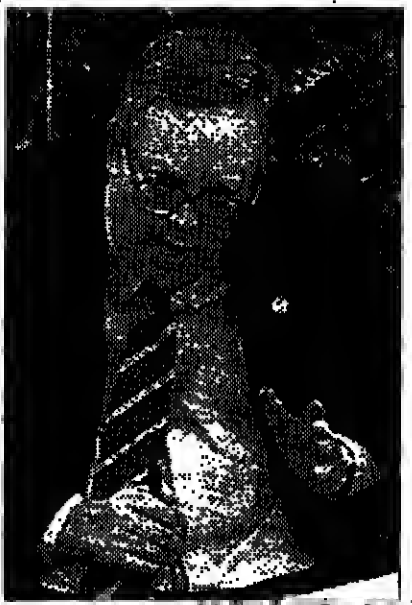
The confluence of events could hardly be more powerful — returning royalty, the annual Eid al Fitr celebration that ends the month-long Muslim fast of Ramadan and three days' worth of rain, a constant, soaking drizzle welcomed by this drought-ridden country as "tears of joy" for their king.

Local television shifted to all-king coverage. Newspapers were graced with full-page color pictures of King Hussein in crisp military garb. Other leaders jetted in from around the region. Tribal groups, businesses and families erected colorful tents along a planned procession route and toted in coffee urns and pillows and chairs so they could party in comfort. There were dancers and fireworks and handpainted banners.

If other leaders in this region or elsewhere in the world might wonder about the stability of their rule were they to leave town with a life-threatening illness, if they might doubt whether they would even have a job to return to, King Hussein can take comfort in the fact that his homecoming is not only welcome, but genuinely and spontaneously so.

Radwan Abdullah, a political science professor in Amman, said, "He has a great deal of support because he was able to provide Jordan with a very precious commodity — which is stability."

King Hussein returns at no easy time in the country's history, or for the monarchy itself. Though there is the perhaps expected gossip about whether he will change his mind about leaving the throne to Crown Prince Hassan in favor of one of his sons — a prospect analysts deem unlikely — there is a broadly held feeling that King Hussein will convene a family council soon to discuss how to choose his brother's successor.



Charles Ruff, White House counsel, entering the Senate on Tuesday.

CLINTON: His Defense Opens in Senate

Continued from Page 1

defense team. Mr. Lockhart declined to name the House Democrats or say how many are involved.

The moves appeared aimed at shoring up support for Mr. Clinton among Senate Democrats.

At the same time, they will underscore political division over the case, which could help or hinder the White House case. Most of the votes in the Judiciary Committee and the full House were nearly party-line votes.

Mr. Ruff's presentation reflected a decision by the president's lawyers to argue the facts of the case and not rely too heavily on the argument that even if all the charges against Mr. Clinton are proved — that he perjured himself and obstructed justice in his bid to conceal his relationship with Monica Lewinsky — they do not justify removal from office.

White House spokesmen have said that the House prosecutors made errors of fact and repeated errors continued in the voluminous record submitted to the House by Kenneth Starr, the independent counsel.

Mr. Clinton's lawyers will seek to make the argument that while there are factual disputes, they can be resolved without the principal figures being called as witnesses.

Mr. Ruff also attacked the House prosecutors' repeated assertion that their case cannot be fully argued without witnesses, including Ms. Lewinsky, as well as close aides and friends of the president.

Congressional Democrats and the White House have opposed witnesses, saying that they would needlessly lengthen the trial, although the minority leader, Senator Tom Daschle, said Monday that witnesses seemed "inevitable."

The Senate will vote on the question after opening arguments and written questions from senators. Fifty-one votes will be required to hear witnesses and the Republicans hold a 55-to-45 margin in the Senate.

"How should you respond to the managers' belated plea that more is needed to do justice?" Mr. Ruff asked the Senate.

"You should reject it. You have before you all that you need to reach this

conclusion: There was no basis for the House to impeach and there is now no basis for the Senate to convict.

"How is it that the managers can be so certain of the strength of their case?" for witnesses? Mr. Ruff asked, his voice full of incredulity. "They didn't hear any of these witnesses."

Given the extraordinary stakes of the trial, Mr. Ruff called on senators to embrace a high standard of proof, saying that the House managers should have to demonstrate Mr. Clinton's guilt "beyond a reasonable doubt." That is a tougher standard than that of "clear and convincing" evidence that is used in judicial impeachments.

Mr. Clinton's is only the second impeachment trial in U.S. history, after that of Andrew Johnson in 1868. President Johnson survived his trial by a single vote. Mr. Johnson, however, did not deliver a State of the Union address during his trial.

Once the White House completes its arguments, possibly in about half the 24 hours it is permitted, senators will vote on two motions: whether to dismiss the case and then whether depositions should be taken from witnesses.

The Republicans' majority in the Senate makes it appear likely that the vote to dismiss will fall short of the required 51. Yet, with most of the 45 Democrats expected to support dismissal, the vote will underscore the unlikelihood of the Republicans later mustering the 67 votes that are needed to remove Mr. Clinton from office.

The White House had given thought to postponing the State of the Union message, as some Republicans and a few Democrats suggested, but decided against doing so.

To postpone, Clinton aides feared, might project an image of a weakened or impotent presidency, the future of which was subject to forces beyond its control.

Most Republicans promised to stand and politely applaud when Mr. Clinton entered the chamber, in deference to his office, if not to the man. But two conservative Republican representatives, John Shadegg of Arizona and Bob Schaffer of Colorado, announced that they would boycott the session in protest.

Hanna Sulner, Hungarian Handwriting Analyst, Dies at 81

New York Times Service

NEW YORK — Hanna Sulner, 81, a handwriting expert who reluctantly helped Hungarian Communists frame Cardinal Jozsef Mindszenty on treason charges in 1949, then promptly fled to the West and exposed the sham, died Jan. 5 in New York. Since 1950 she had worked quietly in New York as one a leading authority on disputed documents.

As an intractable opponent of the Communist takeover of Hungary in 1948, Cardinal Mindszenty was clearly an enemy of the new one-party police state. But at a time when other high-level foes were simply being shot or jailed without fanfare, the cardinal's position as the prime of a largely Roman Catholic country required special handling.

That the political police turned to Mrs. Sulner and her husband, Laszlo, was anything but surprising. When it came to determining whether a handwritten note, a typed letter or a signature on a will or contract was real or forged, Mrs. Sulner had few peers. From the age of 16, she

had studied at the elbow of her father, Professor Julius Fischhof, a pioneer in handwriting analysis who settled in Budapest after World War I and won a reputation as Eastern Europe's foremost expert on questionable documents.

Mrs. Sulner also studied criminology and obtained a special degree qualifying her to teach document examination at the University of Budapest law school. Taking over her father's work after his death in 1944, she quickly inherited his reputation as a meticulous professional as well as his positions as official handwriting and documents expert to Hungary's courts, police and military.

Fred Hopkins, 51, Jazz Bassist
NEW YORK (NYT) — The bassist Fred Hopkins, 51, an important figure of the new jazz in New York during the 1970s and '80s, died Jan. 7 of heart disease in Chicago.

Mr. Hopkins had a thick, dark sound influenced by Jimmy Garrison and Paul Chambers. He improvised powerfully, and the music he was involved with,

inspired by the energy of free jazz, was compositionally ambitious too.

He brought a dramatic urgency to bands that included the trio Art and ensembles led by David Murray, Henry Threadgill, Muihal Richard Abrams, Arthur Blythe and Oliver Lake. Mr. Hopkins also had a decade-long musical partnership with the cellist Deirdre Murray.

Fabrizio De Andre, 58, Singer
ROME (NYT) — Fabrizio De Andre, 58, one of Italy's most popular singers and songwriters, died of cancer Jan. 11 in Milan.

Known in Italy as the "poet of music," Mr. De Andre became popular during the mid-1960s when his songs of rebellion and social justice struck a note with Italian youth. His popularity rocketed after his songs were adopted as the anthems of the protest movement that swept Italy in 1968.

Walter Page, 83, Bank Executive
NEW YORK (NYT) — Walter H. Page, 83, a former chairman and pres-

ident of I.P. Morgan & Co., died of heart failure Jan. 8 in Cold Spring Harbor, New York.

Mr. Page joined the company as a trainee in 1937, when it was still a privately held bank, and remained there until he retired in 1979. Morgan merged with the Guaranty Trust Co. in 1959, and in 1964, Mr. Page was named senior vice president of the new company, Morgan Guaranty Trust. The next year, he was appointed executive vice president in charge of international banking.

Betty Box, 78, Film Producer
LONDON (AP) — Betty Evelyn Box, 78, one of the most successful producers of British films in the post-World War II era, died Friday. The cause of death was not given.

Ms. Box produced for Rank Organization such box-office hits as "Doctor in the House," "Miranda," "Conspiracy of Hearts," and the Huggan family films. Most of her films were directed by Ralph Thomas, with whom she had a partnership for 24 years.

The Passions Of Boris Eifman

A Choreographer's Motion

By Anna Kisselgoff
New York Times Service

NEW YORK — At supper in his studio in St. Petersburg or at lunch in a New York restaurant, Boris Eifman, 52, is all good-humored gallantry. It isn't until this Russian choreographer reveals his life story that one understands how a surface calm harbors the emotional intensity that blazes through his ballets.

Not every choreographer has been housed in an underground pit during a harsh childhood in Siberia, or had all his father's relatives killed by the Germans during World War II. Nor have most choreographers, at least in the West, had to invent themselves within the closed society of the Soviet era. And rare is the choreographer who has never been a professional dancer.

Yet a passion for creating dances has consumed Eifman since he was 13, and passionate dancing is synonymous with the Eifman Ballet of St. Petersburg, which opened a two-week season Tuesday night at City Center. The repertoire will again include "Tchaikovsky" and "Red Giselle," the highly theatrical psychodramas that became the hot tickets in the company's New York debut last April.

There are also United States premieres: "The Karamazovs," set mostly to Rachmaninoff's music, and plotless works on a double bill, "Requiem," set to Mozart, and "My Jerusalem," which includes a rock score.

Although no one could be bored by his brilliantly expressive choreography, Eifman's scenarios struck some last spring as provocative rather than persuasive. But he emphasized in an interview that all his ballets reflect a personal point of view. "My" is the operative word.

"My Jerusalem" is his response to seeing places of worship for Jews, Christians and Muslims from a hill in Jerusalem. "Because people isolate themselves, I did not feel that people created this juxtaposition. So God did it," Eifman said. "We live in a world of conflicts, but in the beginning, there was spiritual

unity." If his ideal vision reconciles these "three paths to God" in "My Jerusalem," it is not because he wants to proselytize. "It is my way of seeing things," he said.

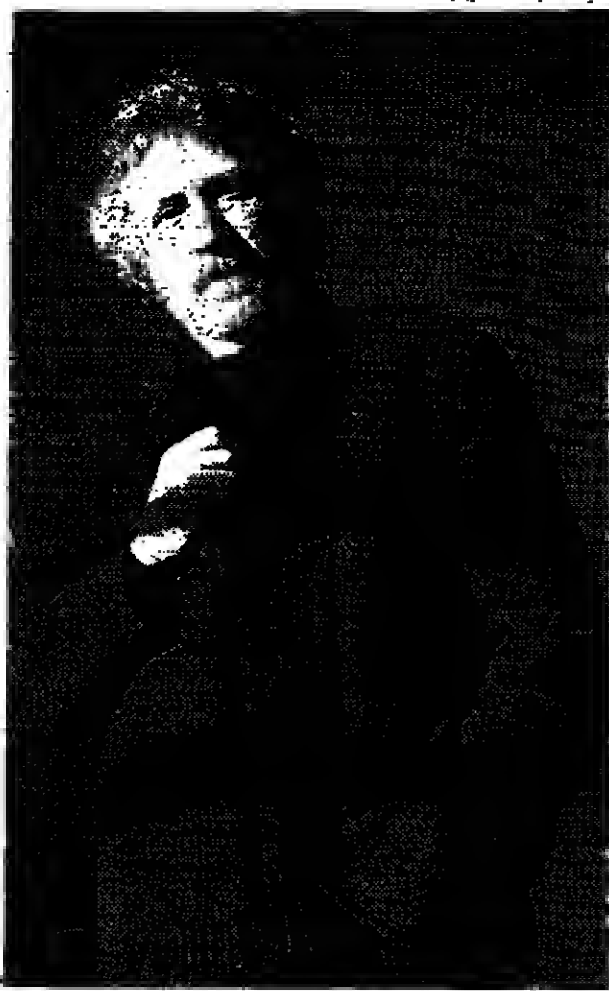
Eifman is Jewish and never changed his name, although prominent Jewish dancers in the Soviet Union advised that it would be better for his career. His parents did suggest, when he was 12, that dance was not a profession for a nice Jewish boy. "A doctor or a musician was what they had in mind," he said. On the path he took early in life, he said: "Choreography is not a profession, although you can study and study for it. But just as heroes in fairy tales understand the language of animals, so choreographers have a special language to communicate."

"The best of today's choreographers are like the early shamans, the choreographers of their time. Shamans could communicate energy to the people. I am interested in an art form of the spirit and of emotion that comes through movement. If it's just movement, it's not art."

Eifman was born on July 22, 1946, in Rubtsovsk, Siberia, where his father, an engineer in Kharkov, Ukraine, had been ordered to move to help the Soviet war effort in the hinterland. "My father had to go," Eifman said. "But this move saved my parents from the Germans in Kiev and Kharkov, where my father's entire family was killed."

"The kind of life my parents lived under Stalin was lived by hundreds of thousands. My father could not refuse to go to Siberia, where he worked in a factory. We didn't live in a camp, but it was economically efficient to house us underground. We lived in a pit with six rooms for six to 10 families. If the government did not build real housing, it was not because of money, but because people were not treated like people, but like cattle."

In 1953, after Stalin died, Eifman's father was able to move to Kishinev, in Soviet Moldavia. Boris studied ballet and folk dance from the age of 7 in a Young Pioneers club, as did many Soviet children. But it was without his parents' consent that he applied for the



Boris Eifman: "We live in a world of conflicts."

ballet school attached to the opera house in Kishinev.

"I was accepted, and my parents said I could go only if I continued in a music school and went to an academic school at night. At 13, I decided I was going to be a choreographer. It sounds preposterous, but I kept a diary, noting down what I would put into future ballets."

ALTHOUGH virtually all choreographers have been dancers, Eifman had performed only as a student and started choreographing for a group he formed at 15. In 1966, he entered the new choreography department of the Leningrad Conservatory.

Even before graduation in 1972, Eifman had opportunities to choreograph for television, ice shows and even Kirov ballerinas like Natalia Makarova. "She called me a boy, so I grew a beard and have kept it since," Eifman said. From 1970 to 1977, he was the official choreographer of the Vaganova Academy, the Kirov school. "If you did what you were assigned, you were looked upon with favor," he said. In 1979, two years after forming his com-

pany as an adjunct of the Leningrad Philharmonic, he felt he could use Western rock music (then under attack) and express freely what he calls contemporary male-female relationships.

Anthony Austin, a correspondent for The New York Times in Moscow, wrote of Eifman's success, although Austin noted that the authorities had just clamped down on writers in the "Metropol" affair, an attempt to publish an anthology without government censors.

Eifman said that after Austin's article appeared, he was questioned by the KGB. "I wasn't in that dissident milieu," he said. "But they began to say I was not doing Soviet art and that I should emigrate. I did not."

Perestroika opened up touring, and the company appeared in the West for the first time in 1989. Eifman has been busier than ever, but he has not changed his basic belief about dance:

"What has changed is the technique, as I have developed it. As you grow older, your inner emotions grow stronger; you could say there are stronger passions in my choreography."

Tale of a Jazz Survivor

From the Little Apple to the Big Apple and Back

By Mike Zwerin
International Herald Tribune

SEATTLE — Bud Young of Seattle's Bud's Jazz Records ("Jazz in all its forms") says: "Don Lanphere is a sort of candidate for sainthood around here."

Bertrand Tavernier's film "Round Midnight" was about alienated heroes who died young, poor, strung out and unappreciated. Their search for peace in Paris had only temporary success. Meanwhile, there was a parallel migration from town to city by other doomed jazzmen looking to find whatever it is to be found in New York. The fate of another group — the survivors — could not be known until later.

Lanphere, who grew up in Wenatchee, Washington — the "Apple Capital of America" — is a survivor. Sonny Rollins, Benny Carter, Lee Konitz, Max Roach, Jim Hall and Roy Haynes are some others that come to mind. Lanphere is perhaps not as well known. Having turned 70, he is

a big fish in a small but glamorous market; he might even be called its dean.

He recorded with the bebop trumpet legend Fats Navarro and played with several versions of Woody Herman's "Four Brothers" bands, as well as with such big-ticket big bands as Artie Shaw. He has his place in history.

In the late 1940s, when he first came to New York, he was a prime student in the school of white tenor saxophone players who followed in the wake of Lester Young, the "Mozart of jazz." Young eventually turned quite bitter about their success. Poor and sick and a has-been with a ruined sound, he was living and would die in the run-down Alvin Hotel across Broadway from Birdland. "These guys sound more like me than me," he said, after hearing Stan Getz. Most of them found early ruin themselves.

Lanphere is one of the few who remain healthy and prosperous. Along the way he became a born-again Christian. It takes coaxing to hear his story.

In 1961, Lanphere and his wife, Midge (one of his recent recordings is titled "Don Still Loves Midge"), went back to Wenatchee. As he settled in to running his father's music store, his horn gathered dust. They were still smoking grass. Midge had been on the edge of a mental breakdown, and her doctor suggested LSD. It was new and being used experimentally in psychological therapy. "You've got to try this," she said.

Just what they needed — one more substance to abuse. Sometimes he would get drunk and end up in jail overnight



Don Lanphere is praying for his friends.

and there would be a story in the morning paper. He was Wenatchee's lovable black sheep. "From the Big Apple to the little apple," he shrugs, with a crooked smile and clear eyes.

One day in 1969 he was "reasonably loaded" on grass driving home from across the Cascade Mountains. A psychedelic-colored minibus was parked in front of the store, a long-haired rock group wearing overalls was trying out instruments. (One of them bought a harmonica.) They said they would be at the Bright Moon Tavern that night.

Wenatchee is a small town. There was nothing else to do and no traffic, but somehow Lanphere managed to get there late. The band sang about Jesus, people reported, and they weren't bad at all. They had gone to Denny's to eat but he missed them there too. On his way out he passed Flash, who was dressed in leather, parking his big bike. Once an on-campus LSD salesman, Flash had recently met Jesus in Yakima, Wash., during a Grateful Dead concert.

"I want to talk to you," Flash said. "I want to know where you're coming from." Although he did not know why, Lanphere went back into Denny's with him. They ordered coffee, and Flash asked him: "You got guts enough to hold hands for a minute?" Lanphere thought this might be trouble. Flash took his hand and said: "Say after me: 'Lord Jesus, I ask you to come into my heart.'"

Getting up to leave, Lanphere fell right down. Wow! he thought. "You've been trying to knock yourself to the floor for years with heroin,

alcohol, marijuana and acid and now you can do it with nothing at all."

When he got home, Midge said in him: "What are you on? Give me some."

"A guy just told me I got saved," he answered. "From what?" she asked.

One way or another one thing led to another and, on Nov. 5, 1969, they flushed their bottles of reds and yellows plus an ounce of grass down the toilet. He had begun to play his tenor again, filling in for Getz in Seattle and going out for a week in Vancouver, British Columbia, with Maynard Ferguson. When the Christian rock band from the Bright Moon Tavern asked him to jam with them in a local theater, he tried to think of something appropriate. "Is 'Battle Hymn of the Republic' a sacred song?" he asked Midge. He'd played it in a bar recently and it was fun.

"Seek and ye shall find," she advised. Lanphere stood up, looked up and yelled: "Hey, Jesus! Is 'Battle Hymn of the Republic' a sacred song?" The television was on and a face came on the screen. "That was that," says Lanphere. "That was 30 years ago, and it's still rolling." He closed the store, which was \$750,000 in debt "thanks to my business acumen." Selling the building covered it, and they moved to Seattle.

THE MAN once known as the "most notorious bebopper in the Northwest" works with Bud Shank and Larry Coryell and other veterans who have settled around here. Some of his 35 students harp for services like dental, roofing and accounting work. He records for Hep records, a Scottish company, and flies east to perform, teach and network for a month or so a year.

He is generous sharing his insights with high school students. Every Sunday he attends his local Foursquare church — "it's a worldwide denomination by now" — and he gives a Sunday evening concert there every two or three months. Lanphere prays every day. He'll pray for you if you have a toothache. First, though, he asks if you mind. A piano player he knows who had a serious hand problem answered: "Yes, man, I do mind. I don't want your prayers." Lanphere adds: "Without being pushy about it, when I'm away from him I do it anyway. See? One thing people can't do is stop you from praying for them."

Transcript Theater: The Lawrence Affair

By Sheridan Morley
International Herald Tribune

LONDON — It is almost 40 years since Lotte Lenya brought her "Brecht on Brecht" to London, but I have never forgotten the spine-chilling moment when the actors fell silent to listen, as the audience did, to a scratchy tape of Brecht giving his terrified testimony to the House Un-American Activities Committee, before he fled America forever. Long before the invention of the docu-drama, this was my first realization that a stage production did not always have to be fictional, and I have been half in love with what we might call transcript theater ever since.

The Tricycle in Kilburn is the only theater in this country that has lately made a policy out of it. Its reconstructions of court cases on stage have, over the last three years, taken in the Nuremberg Trials, the arms to Iraq inquiry and evidence given in The Hague about Srebrenica.

Now we get the most powerful and topical yet, a reconstruction over three hours or so of the six-month inquiry last year into the Stephen Lawrence affair, when five or six white racist thugs killed a black student in South London in 1993. The issue here is racism, not only on the part of the killers, but also on the part of a local London police force.

So the first night at the Tricycle last week of "The Colour of Justice" was more than a little unusual. Lawrence's parents were in the audience, as were many of the lawyers who featured in the inquiry, and when at the end everyone stood for a moment with the actors in silent tribute to the victim, it was hard to know exactly where reality started and theater stopped. Which is, of course, exactly what defines great drama.

By staging one of these reconstructions every year, the Tricycle has now assembled a useful repertory company of character players, led by Michael Culver and Jeremy Clyde, who move effortlessly from one side of the dock to the other as judges, counsel and witnesses.

If there is a problem here, it is one of immediate topicality; as with a book rather than a newspaper or a television documentary, it still takes a

matter of months to get these reconstructions onto a stage. As a result, "Justice" could take no account of the fact that, an hour or two before it opened to the press, it was announced that the last police officer involved in the immediate inquiry, a man about to be officially disciplined for the way he handled the case, had been allowed to take early retirement on full pension rather than face any kind of official reprimand.

Similarly, "The Colour of Justice" was already up and running and unchangeable when the news came through last weekend that new evidence indicated there may well have been a drug connection (albeit one of mistaken identity) to explain what has hitherto seemed a motiveless murder.

In all other respects, however, the journalist Richard Norton-Taylor and the director Nicolas Kent have achieved a staging of remarkable power and tension.

As witness after witness takes the oath under the steady gaze of Culver's inquiry chairman and Clyde's acidly elegant counsel for the Lawrence family, you suddenly realize that, paradoxically, what is happening on stage seems infinitely more real than the many television real-life documentaries about Lawrence that have been aired on almost all networks these last few days.

The "trials of the century" concept has always been a winner, and this, in all its awful truth, is certainly one of those. I only hope we have not heard the last of it.

All credit to the tiny Attic Theatre Company out at the Wimbledon Studio, for giving us our first glimpse in 30 years of "Ace of Clubs," the Noel Coward musical set in a London nightclub just after the war. True, it didn't entirely work first time around, and it still doesn't. The book is uncharacteristically derivative and repetitive, but there are at least six great Coward songs that started here.

Peter Gale is a suitably urbane nightclub manager and Claire Carrie and Russell Wilcox handle a fragile love story with considerable charm. Jenny Lee's nightclub-set production on a tiny stage is yet one more proof that smaller is better.

At Chanel Show, Opposites Fail to Attract

By Suzy Menkes
International Herald Tribune

PARIS — The last couture shows for the 1990s are unrolling here. And Tuesday's collections from Chanel and Christian Lacroix wrestled with a knotty problem: Should high fashion be built on the grand foundations of its past? Or should it reflect fashion's mundane present?

At Chanel, Karl Lagerfeld tried to straddle the two worlds, producing a show filled with opposites, from cargo pants with fitted jackets through ball skirts with bare midriffs. But a flat show proved that opposites don't always attract.

Lacroix was in a world of his own, where all is artifice, but his sophisticated fantasy received an ovation from a crowd moved by the designer's single-minded vision.

Chanel's show was about making easy clothes in a complex way and about playing with silhouette and volume. It sounded much better in Lagerfeld's description of clothes that mixed firm lines and free-flowing shapes, than in its reality on the runway.

Draped pants, somewhere between a dhoti and jodhpur style, broke the cardinal rule of the gym-honed generation by making the wearer look big, especially from the rear.

When the perfectly proportioned Naomi Campbell walked down the runway in a bronze dress that bloused to give her a hefty hipline, you knew the message wasn't getting through.

Yet the theory was good and so was the setting: a noble space in the Louvre complex, with bare stone pillars and a sisal carpet as the runway. That was color matched in the oameal cardigans that were worn taut over their wide bottom halves, from the sloppy pants buttoned at the ankle, through easy skirts, some with big cargo pockets.

The show, deliberately lacking in brio, bravura and brohaha, had some exquisite pieces, but left the impression — increasingly familiar with Lagerfeld — of being done from intellect and experience, rather than instinct.

From its limpid colors (oyster, lavender, face-powder pink and celadon green) through the draped pants and mar surfaces, the Chanel show suggested an artist's impression that seemed more like a work in progress.

Lagerfeld described the look as "sketching and etching" — interpreting a line about incision and precision from a poem by Paul Verlaine. Think sloppy chic, as cargo and jodhpur pants spread fat pockets and loose folds below the tiny jackets or body-

hugging cardigans. The alternative was a linear precision. That might mean silver sequins bisecting a white satin sheath or a column of chiffon draped with the grace of a sari.

In its sporty, at-ease feel the collection nudged much nearer Coco than it has for several seasons. Yet the sportswear produced some weird items, like taffeta overalls over a sequined top.

Although it doesn't play on the runway, the show was very haute couture in its extraordinary workmanship, lightly worn, as when a jacket (yes, Chanel still has tons of them) was pieced in panels or a nude-colored dress flowed into ribbons from the shoulder. For client needs, there were low-key, loose-skirted suits and unshowy items like a beaded sweater that require hours of delicate handwork.

What was missing was any sexual pulse (the soggy pants were a positive turn-off) or any

sense of fashion urgency or of setting an agenda for the future. Well, Lagerfeld has done all that for Chanel. But it is a rare thing to find a show from such a stellar designer that seemed so lacking in forward drive.

If you want one designer's sweet, sensitive vision of fashion, played out in grand fabrics, subtle weaves and artistic dabs of color, Lacroix's collection was beautiful. In tight control of all the bows, swooshes, embroidery and delicate bead necklaces that make up his work, the designer made every outfit into a little jewel.

The models came though the runway arch, decked with foliage and vivid paper leaves, airy black straw bonnets on their heads, satin slippers, tiny jackets and skirts the consistency of whipped cream, blown sideways as though caught in a breeze. Instead of the ballroom of the Grand Hotel, we could have been in the Tuileries gardens 100 years ago, before sneakers, jogging suits and sportswear had been invented.

There is always a feeling that Lacroix is living in the wrong century. Yet so



Chanel's tightly fitting jacket and skirt with cargo pockets, by Karl Lagerfeld, left, and Lacroix's ruffle collar and back bow on a gold-sprinkled sheath dress.



powerful was his vision that an audience of professionals, including Lacroix's boss, Bernard Arnault, jumped up to give the designer the first standing ovation of the Paris season.

Why? Because, in a homogenous fashion world, there is a yearning for couture to deliver something different. In a season where fantasy has mostly been reined in and some of the plain, polite, politically correct suits look more like upscale ready-to-wear, such persistent fashion individuality is striking and even moving.

And Lacroix gave the best of himself, returning, as he said, "to the roots of the house." That meant reworking an ebullient mix of Arlesian peasant and Gaiete Parisienne that has been dormant for some years at the house. But it resurfaced in a controlled way. Out came dresses and skirts layered with merry coin dots, scattered with a strategic bow or wrapped like a pretty parcel to narrow ribbons at the midriff.

With colors sometimes veiled — as in an orange gleaming through a perforated black fabric — or used as a touch of

shocking-pink collar or cobalt-blue flower, the mixes were audacious but judicious.

So were the fabrics. Although there might be a simple black jersey T-shirt or fresh white tulle skirt, they were offset with materials that were hand-painted, shredded, woven, embroidered to create artistic effects that seldom looked artsy-craftsy.

But what about those can't-pack-'em, how-do-I-get-in-a-taxi hall gowns? Their festoons of fabric and rich colors will be reproduced in white as wedding gowns for women who may wear sportswear and sneakers, but, for at least one day in their lives, can still dream of fashion romance.

ART
ROYAL THEATRE, NEW YORK
WYNDHAM'S THEATRE, LONDON

NYSE

Tuesday's 4 P.M. Close

The 2,300 most traded stocks of the day.
National prices not reflecting late trading elsewhere.
The Associated Press.

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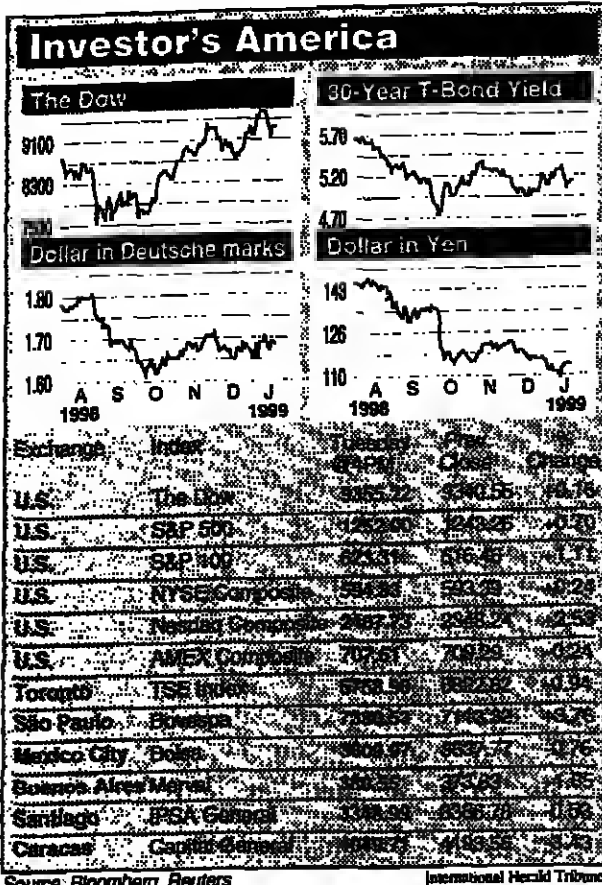
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Continued on Page 14

INTERNATIONAL MAIL
Comeback in
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صحة من الامم

THE AMERICAS



Very briefly:

- Pfizer Inc., maker of the impotence pill Viagra, said its fourth-quarter profit from continuing operations rose 42 percent as it introduced the drug in more European countries. Profit excluding one-time items rose to \$711 million from \$500 million a year earlier. Revenue rose 26 percent to \$3.87 billion, including \$236 million in Viagra sales.
- Delta Air Lines' profit climbed 2 percent in the last three months of 1998, to \$194 million, but Northwest Airlines had a \$181.3 million loss in the quarter because of a 15-day pilots strike, compared with a profit of \$105.4 million a year earlier. Revenue was \$3.45 billion, up from \$3.43 billion.
- Cargill Inc. reported net earnings of \$587 million for its first half, which ended Nov. 30, including a gain from the sale of its seed business to Monsanto Co. and a net operating loss, largely from financial trading losses in Russia and emerging markets. The figure compares with earnings of \$124 million a year earlier.
- Core Laboratories NV agreed to buy GeoScience Corp. for \$214 million in cash, stock and assumed debt to acquire technology that helps companies extract more oil from underdog deposits.

Merger-Linked Job Cuts Soar

WASHINGTON — U.S. companies planned record job cuts in 1998 resulting from mergers, making last year the biggest year for dismissals since a recruitment firm began surveying employers about their plans.

Merger-related job cuts rose 99.6 percent last year to a record 73,903, according to a survey by the Chicago-based firm Challenger, Gray & Christmas. That topped the previous high of 72,083 merger-related job cuts in 1995, the first year the employment firm began tracking the figures.

A total of 14,545 planned cuts in December — the largest monthly toll since June 1995 — capped the 1998 record.

Dollar Falls After Brazil Raises Rates

NEW YORK — The dollar fell against other currencies Tuesday amid confusion over the outlook for the Brazilian economy after a move by the country's central bank to raise interest rates late Monday.

FOREIGN EXCHANGE

After the central bank executed a well-received float of the currency, the real, dealers said it undid some of the good work by raising its benchmark interest rate in an effort to stem a further slide in the real. The move lowered hopes for a recovery in Brazil, the largest economy in Latin America.

The rate increase drove the cost of overnight borrowing to 41 percent from 29 percent. A slump in Latin American growth could hurt the United States, which does about one-fifth of its trade with the region.

"Some people are a little nervous about the Brazil position," said Jeff Yu, senior trader at Sunwa Bank in New York.

Weakness in U.S. blue-chip stocks also weighed on the dollar. The dollar slipped to 113.45 yen in 4 P.M. trading from 113.95 yen Friday. There was no trading in New York on Monday because of the Martin Luther King Jr. Day holiday. The dollar also fell to 1.3760 Swiss francs from 1.3840 francs.

The euro rose to \$1.1622 from \$1.1558, and the pound rose to \$1.6556 from \$1.6493.

The yen was helped by talk that Japanese exporters and financial institutions were bringing money home to offset losses before the fiscal year-end in March. Higher Japanese bond yields also are prompting Japanese investors to sell holdings of foreign stocks and bonds and invest domestically, traders say.

"The money flows are going toward Japan, not out from Japan," said Kathy Jones, a currency analyst at Prudential Securities Inc. "Banks typically repatriate capital to rebuild their base, and this year more than any other they need to do that."

All of these factors are increasing demand for yen, she said.

The dollar cut its losses against the euro after the European Central Bank, in its first monthly report, said growth in the euro region would probably slow amid stable prices. That supported expectations that the bank could trim interest rates in the next few months.

(Bridge News, Bloomberg)

U.S. Banks Roll Out Upbeat Quarterly Results

NEW YORK — Some of the biggest U.S. banks reported strong fourth-quarter earnings Tuesday, lifted by higher loans and fees amid an expanding U.S. economy.

Major U.S. brokerages also reported better results than analysts had expected, a sign the industry is recovering from the financial turmoil last summer that bloodied profits and spurred layoffs.

Chase Manhattan Corp., the second-largest U.S. bank, and Bank One Corp., the fifth-largest, both benefited from growth in credit-card fees.

Earnings fell at J.P. Morgan & Co., but mostly because of one-time charges related to layoffs and cost-cutting. BankAmerica, the largest

U.S. bank, said earnings fell for the second straight quarter on lower investment banking revenue.

Among the brokerages, Charles Schwab Corp. reported record fourth-quarter profit, helped by a surge in on-line trading. Merrill Lynch & Co., PaineWebber Group and Bear Stearns Cos. all said earnings fell, but not by as much as analysts had predicted.

Chase Manhattan earned a net \$1.15 billion in the fourth quarter, up from \$874 million a year earlier. Revenue rose to \$5.35 billion from \$4.09 billion.

Trading revenue was \$522 million, compared with a loss of \$78 million a year earlier. Securities gains rose 36 percent, to \$167 million. Total noninterest revenue rose

46 percent, to \$2.90 billion.

Bank One said net income fell 75 percent, to \$226 million, mostly because of charges related to its purchase of First Chicago NBD Corp. Excluding those charges, profit rose 17 percent, to \$1.04 billion. Non-interest income rose 11 percent, to \$2.07 billion, as credit card fees rose 39 percent, to \$1.08 billion.

BankAmerica's net income fell to \$1.16 billion from \$1.46 billion a year earlier. Profit was reduced by a \$441 million charge related to its merger with NationsBank.

J.P. Morgan's net earnings fell to \$89 million from \$271 million, hurt by an \$86 million charge for severance pay and consolidating fees. The firm earned \$135.9 million.

discount brokerage, said its profit rose to a record \$106.4 million from \$63.1 million. Like other Internet brokers, Schwab benefited from a surge in on-line trading.

Merrill Lynch, the largest U.S. brokerage, posted a 23 percent drop in the quarter, to \$359 million, due to a drop in bond trading revenue.

PaineWebber posted an 8 percent drop in fourth-quarter profits, but it still beat estimates because of strong asset management fees and commissions. The firm earned \$100.4 million in the quarter.

The investment bank Bear Stearns reported a 15 percent decline in quarterly results due to a steep drop in investment banking fees. The firm earned \$135.9 million.

(Bloomberg, AFX, Reuters)

TIRE: A Tradition-Rich Canadian Retailer Thrives Against Giant U.S. Chains

Continued from Page 11

nadian Tire Store? They think of Canadian Tire as one of their national treasures."

Part of it is simply the sheer reach of the Tire, with its 430 stores stretching as far as Yellowknife on the Arctic Circle in the Northwest Territories. Despite the country's massive size, 80 percent of all Canadians live within a 15-minute drive of a Canadian Tire store.

This sense of ubiquity is reinforced by an aggressive marketing campaign that includes mailing out 9 million catalogues in a country that has only about 10 million households. And it is hammered home by heart-warming television commercials that evoke an era of kids playing hockey out on the pond or getting a new dream-come-true bike like the one in the Canadian Tire catalogue.

"You wake up on a Saturday morning and you need a hockey stick or a light bulb, and there is one destination — Canadian Tire," said Jack Hayne, vice president of merchandising for Home Depot Canada.

There is also a thrifty practicality about Canadian Tire that nicely reflects the personality of English-speaking Canada.

"It's so Canadian," said Ida Mitsch, a photo-studio employee, as she strolled the aisles of the Keele Street store one recent Saturday. "Good value, not flashy, dependable, easy to shop."

As its name implies, the company started out as a discount tire and auto-accessories warehouse. By the 1950s, it had branched into hardware, sporting goods and gasoline. Its mascot was a pen-and-ink char-



Currency bills that were issued by Canadian Tire Corp. and were redeemable only in its stores.

acter named Sandy McTire, a penny-pinching Scotsman whose face was to grace every catalogue and every bill of Canadian Tire "mooney," the scrip given out with every sale that can be applied to future purchases.

Today, for millions of Canadians, Saturday morning means coffee, doughnuts and reading the filter from Canadian Tire listing that week's specials. It is not unusual for Canadian Tire stores to sell more in one week of an item listed in the filter than they would normally sell in five years.

According to Mr. Bachand, the first and biggest challenge he faced was repairing the Tire's unusual corporate structure, which, when it was working well, combined the best elements of a tightly run retail system with the entrepreneurial energies of a franchise operation.

It works this way: New Canadian Tire dealers must invest \$125,000, usually for a small store in a rural

area. Over time, the dealers learn the business and, if all goes well, build up a big enough equity stake to trade up to larger stores in larger markets.

It used to be a matter of five to 10 years before dealers were routinely pulling down \$1 million a year in salary, bonus and profit. And it is this profit potential that Mr. Bachand credits with driving the company's turnaround.

"I don't think there is any incentive program that could replace the pride of ownership we have as dealers," said Terry Douglas, whose store near Edmonton has been hitting record numbers since Wal-Mart moved in next door. "This is my blood and sweat, and all the checks have my name on them."

At various times, however, this structure was also a source of big trouble, especially when the strong-willed millionaires in Dealerland would clash with headquarters executives over the latest pricing strategy or cost-splitting formulas.

In the decade before Mr. Bachand's arrival, in fact, relations between the dealers and Toronto headquarters became so strained that the dealers actually tried to buy the company from members of the founding Billes family.

After securities regulators blocked the takeover, the dealers cast their lot with Martha Billes, the daughter of the founder, A.J. Billes. Martha Billes moved quickly to buy out her brothers, fire the top executives and lure Mr. Bachand to Toronto.

For all its success at home, however, experts on retailing say there is little chance that Canadian Tire will try to invade neighboring U.S. markets.

"Canadian Tire is successful precisely because it has a unique culture, a unique product mix and a unique connection with the consumer," said Robert Herber, a lecturer at the University of Toronto business school. "It can't be exported or replicated somewhere else."

U. S. STOCK MARKET DIARY

| Tuesday, Jan. 19 | | | | | | | | | |
|------------------|---------|---------|---------|---------|--------|--------|---------|---------|---------|
| Most Active | | | | | | | | | |
| Index | High | Low | Open | Close | Change | Index | High | Low | Open |
| Dow Jones | 9242.12 | 9238.99 | 9241.00 | 9238.99 | -2.01 | NYSE | 1000.00 | 1000.00 | 1000.00 |
| S&P 500 | 1000.00 | 999.99 | 1000.00 | 999.99 | -0.01 | Nasdaq | 1000.00 | 1000.00 | 1000.00 |
| Industrials | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0.00 | AMEX | 1000.00 | 1000.00 | 1000.00 |
| Transport | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0.00 | | | | |
| Utilities | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0.00 | | | | |
| Finance | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0.00 | | | | |
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| Industrials | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0.00 | AMEX | 1000.00 | 1000.00 | 1000.00 |
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| Bonds | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
| Options | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
| ETFs | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
| Commodities | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
| Currencies | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
| Bonds | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
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| Options | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
| ETFs | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 0 | | | | |
| Commodities | 1000.00 | 1000.00 | 1000.00 | | | | | | |

EUROPE

ECB Warns of a 'Short-Term' Slowdown in the Euro Zone

FRANKFURT — The European Central Bank gave a mixed outlook Tuesday in its first monthly report on the euro zone, noting price stability but predicting a short-term slowdown in economic growth.

The new central bank, which sets policy for the 11 nations that adopted the euro Jan. 1, also said it was unlikely that there would be a formal system for exchange rates between the euro and non-European currencies in the foreseeable future.

The bank said its monetary policy strategy "does not embody an exchange-rate target for the euro."

The comments were made against the background of recent calls by politicians for ways of controlling excessive exchange-rate volatility.

Turning the tables, the bank warned the governments of the 11 euro countries not to relax in their efforts to reduce public spending.

"Improvements in fiscal positions have stalled," it said. "Structural deficits in the euro area in fact deteriorated slightly in 1998."

Global turmoil has undermined industrial confidence, the bank said, with figures for October 1998 showing lower production growth. "All this has fostered expectations of a slowdown in the growth of eco-

nomic activity in the short term," the report said.

Consumer price increases also edged downward on the basis of low wage growth in 1998 and low energy and commodity prices, the ECB said.

The bank pointed out risks for both higher and lower prices — a factor that is prompting the bank to maintain its key 3 percent refinancing rate "for the foreseeable future."

While the bank said there were no indications of upward or downward pressures on prices, it cautioned that recent global developments "could turn out to be more serious than is currently anticipated."

"This might also have a further dampening effect on import and domestic prices," it said.

On a more optimistic note, the ECB noted that consumer confidence was rising and that retail sales remained strong through the first three quarters of 1998.

The monthly report continues a tradition of the German central bank, the Bundesbank, which communicated its views to the public on a regular basis. Drawn up by the new bank's chief economist, Oskar Issing, who held the same position at the Bundesbank for eight years, the report provides an extensive expla-

nation of the bank's inflation-fighting strategy as well as a collection of indicators for the euro area.

"Like that of the Bundesbank, the report will essentially be backward-looking and only rarely provide clues as to changes in the overall stance of central bankers," said Markus Schulte of Stone & McCarthy in London.

The report was prepared before Eurostat released revised figures Tuesday showing gross domestic product growth of 0.7 percent in the third quarter of 1998, up from 0.5 percent in the second quarter. Eurostat said private consumption fueled the growth. (AP, AFP, Bloomberg)

| Investor's Europe | | | | |
|-------------------------|-----------------------|---------------|-------------|--------|
| Frankfurt DAX | London FTSE 100 Index | Paris CAC 40 | | |
| 5500 | 6100 | 4400 | | |
| 5000 | 5500 | 3500 | | |
| 4500 | 5000 | 3000 | | |
| 4000 | 4500 | 2500 | | |
| 3500 | 4000 | 2000 | | |
| 3000 | 3500 | 1500 | | |
| 2500 | 3000 | 1000 | | |
| 2000 | 2500 | 500 | | |
| 1500 | 2000 | 0 | | |
| 1000 | 1500 | | | |
| 500 | 1000 | | | |
| 0 | 500 | | | |
| 1998 | 1998 | 1998 | | |
| 1999 | 1999 | 1999 | | |
| Exchange | Index | Tuesday Close | Prev. Close | Change |
| Amsterdam AEX | | 548.88 | 544.21 | +0.86 |
| Brussels BEL-20 | | 3,478.72 | 3,466.35 | -0.22 |
| Frankfurt DAX | | 5,073.15 | 5,050.40 | +0.45 |
| Copenhagen Stock Market | | 639.76 | 639.91 | -0.02 |
| Helsinki HEX Generali | | 6,164.69 | 6,054.82 | +1.61 |
| Oslo OSE | | 529.87 | 527.79 | +0.38 |
| London FTSE 100 | | 6,027.80 | 6,123.90 | -1.57 |
| Madrid Stock Exchange | | 880.72 | 889.63 | -1.00 |
| Milano MIBTEL | | 23846 | 24278 | -1.78 |
| Paris CAC 40 | | 4,115.98 | 4,151.88 | -0.86 |
| Stockholm SX 16 | | 4,063.83 | 4,060.59 | +0.57 |
| Vienna ATX | | 1,057.83 | 1,069.45 | -1.08 |
| Zurich SPI | | 4,524.78 | 4,550.54 | -0.48 |

Very briefly:

- BP-Amoco PLC is closing its Romanian subsidiary, Amoco Romania Petroleum Co., amid global concerns about the oil business as oil prices remain near 10-year lows.
- Deutsche Telekom AG's net profit rose 27 percent, to 2.15 billion euros (\$2.5 billion), in 1998, largely because an accumulated deficit from loss-making activities was halved. Revenue climbed 3 percent, to 35.64 billion euros.
- The euro made its debut on Russia's volatile currency market, with some 3.2 million euros changing hands on the Moscow Interbank Currency Exchange. The European currency ended trading at 27.34 rubles.
- OAO Gazprom recorded a loss of 45 billion rubles (\$2.06 billion) in 1998 because of the Russian financial crisis and the steep slide of the ruble. An operating profit of 37 billion rubles was eroded by a negative currency effect of 82 billion rubles, the gas company said.
- Hanson PLC unified its corporate structure by rebranding all of its operating companies to trade under the Hanson name. The British builder plans to develop further through investment and acquisition, mainly in the United States and Britain.

Strauss-Kahn Calls for 25% Withholding Tax in EU

PARIS — The European Union needs to move toward a "normal" rate of withholding tax on savings and investment income of "at least 25 percent" to ensure there is no unfair competition on these rates, Finance Minister Dominique Strauss-Kahn of France said Tuesday.

He described this rate — coupled with tangible proposals by the end

of June from a special EU working panel — as a test of the EU's will to take concrete steps on taxes and to build a balanced Europe.

The European Commission has proposed a tax of at least 20 percent on income from bank accounts and international securities held by EU residents in EU member nations as part of a tax-coordination package for which it expects to win approval by June.

Luxembourg has said it favors a lower rate, and Britain has threatened to veto any EU-wide withholding tax on interest income unless Eurobonds are exempted.

Calling for greater safeguards to protect investors, Mr. Strauss-Kahn said the EU needed to develop a common rule book on sales of securities and savings and investment products as well as on transparency of information.

Euro May Get Early Release

The EU Commission is considering distributing euro notes and coins a few weeks before the official target date of Jan. 1, 2002, but only to retailers, Monetary Affairs Commissioner Yves-Thibault de Silguy said, Agence France-Presse reported from Brussels.

Consumer organizations have pressed for an early release to ease the changeover for the public.

Profit Posted By Club Med

PARIS — Club Med SA said Tuesday that its efforts to spruce up its vacation properties had helped the company swing back to profit in its latest financial year.

Club Med, which offers all-inclusive vacations in a variety of locations, posted a profit of 171 million francs (\$30.2 million) on sales of 8.38 billion francs in the year that ended Oct. 31.

LINK: Home Appliances to Get Java as Sun, Sony and Philips Form Alliance

Continued from Page 1

commercial services."

The link between the two consumer electronics giants and a leading developer of Internet computing equipment also represents an alliance strong enough to take on Microsoft Corp. in a standards battle for the consumer market. Microsoft, which controls the personal computer market with its industry-standard Windows family of operating systems, has made aggressive

moves into new consumer markets. At the Consumer Electronics Show this month in Las Vegas, Microsoft unveiled a new alliance built around its Universal Plug and Play standard. Major PC makers, including Compaq Computer Corp., Dell Computer Corp. and Hewlett-Packard and Co., have already announced support for the standard.

Microsoft has also attempted to forge an alliance with Intel Corp. and a variety of consumer electronics companies to push a standard

known as Home Application Program Interface, or Home API, which is intended to create links between the personal computer and consumer electronics world.

Both the Sun Jini initiative and the Microsoft Universal Plug and Play alliance appear to be attempts to do roughly similar tasks: make it possible to control myriad devices in the home and office.

But the two technologies also represent deep philosophical differences. Microsoft and the personal

computer makers are developing standards for a PC-centric vision of the home of the future.

In contrast, the Jini-HAVI alliance is a decentralized approach to computing in which control is spread throughout a network with no central point. In the Jini-HAVI vision of the world, the consumer could control all the appliances in a networked home from a personal computer but could also use a television or even some all-in-one infrared remote control device.

WORLD STOCK MARKETS

| Monday, Jan. 18 | | | | | London | | | | |
|----------------------------|-----|-------|-------|--|---------------------------------------|-------|-------|-------|--|
| Prices in local currencies | | | | | www.stockex.co.uk | | | | |
| in euros for EMU countries | | | | | | | | | |
| Tel Aviv | | | | | | | | | |
| High | Low | Close | Prev. | | High | Low | Close | Prev. | |
| Amsterdam | | | | | AEX Index: 548.88 Previous: 544.71 | | | | |
| ABN-AMRO | | | | | 17.85 | 17.25 | 17.25 | 17.85 | |
| ABN-AMRO | | | | | 18.05 | 17.80 | 18.05 | 18.05 | |
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NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar volume, updated twice a year.
The Associated Press.

| Stock | Dr | Yld | PE | High | Low | Close |
|-----------|--------|-------|-------|--------|--------|--------|
| IBM | 128.00 | 4.00 | 15.00 | 128.00 | 127.00 | 127.50 |
| Microsoft | 56.00 | 3.00 | 18.00 | 56.00 | 55.00 | 55.50 |
| Apple | 45.00 | 3.50 | 12.00 | 45.00 | 44.00 | 44.50 |
| Oracle | 35.00 | 4.50 | 10.00 | 35.00 | 34.00 | 34.50 |
| Sun | 25.00 | 5.00 | 8.00 | 25.00 | 24.00 | 24.50 |
| HP | 20.00 | 6.00 | 7.00 | 20.00 | 19.00 | 19.50 |
| Intel | 15.00 | 7.00 | 6.00 | 15.00 | 14.00 | 14.50 |
| Motorola | 10.00 | 8.00 | 5.00 | 10.00 | 9.00 | 9.50 |
| Verizon | 8.00 | 9.00 | 4.00 | 8.00 | 7.00 | 7.50 |
| AT&T | 7.00 | 10.00 | 3.00 | 7.00 | 6.00 | 6.50 |

| Stock | Dr | Yld | PE | High | Low | Close |
|----------|------|-------|------|------|------|-------|
| Amazon | 1.00 | 12.00 | 1.00 | 1.00 | 0.90 | 0.95 |
| Alibaba | 0.50 | 15.00 | 0.50 | 0.50 | 0.40 | 0.45 |
| Google | 0.20 | 18.00 | 0.20 | 0.20 | 0.10 | 0.15 |
| Facebook | 0.10 | 20.00 | 0.10 | 0.10 | 0.05 | 0.08 |
| Twitter | 0.05 | 25.00 | 0.05 | 0.05 | 0.02 | 0.04 |
| LinkedIn | 0.02 | 30.00 | 0.02 | 0.02 | 0.01 | 0.02 |
| Slack | 0.01 | 35.00 | 0.01 | 0.01 | 0.00 | 0.01 |
| Zoom | 0.00 | 40.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dropbox | 0.00 | 45.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Evernote | 0.00 | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|------------|------|--------|------|------|------|-------|
| Netflix | 0.00 | 55.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Spotify | 0.00 | 60.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 65.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 70.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 75.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 80.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 85.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 90.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 95.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|------------|------|--------|------|------|------|-------|
| Twitter | 0.00 | 105.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LinkedIn | 0.00 | 110.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Slack | 0.00 | 115.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Zoom | 0.00 | 120.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dropbox | 0.00 | 125.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Evernote | 0.00 | 130.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Netflix | 0.00 | 135.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Spotify | 0.00 | 140.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 145.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 150.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|------------|------|--------|------|------|------|-------|
| Twitter | 0.00 | 155.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LinkedIn | 0.00 | 160.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Slack | 0.00 | 165.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Zoom | 0.00 | 170.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dropbox | 0.00 | 175.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Evernote | 0.00 | 180.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Netflix | 0.00 | 185.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Spotify | 0.00 | 190.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 195.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|------------|------|--------|------|------|------|-------|
| Twitter | 0.00 | 205.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LinkedIn | 0.00 | 210.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Slack | 0.00 | 215.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Zoom | 0.00 | 220.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dropbox | 0.00 | 225.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Evernote | 0.00 | 230.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Netflix | 0.00 | 235.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Spotify | 0.00 | 240.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 245.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 250.00 | 0.00 | 0.00 | 0.00 | 0.00 |

AMEX

Tuesday's 4 P.M. Close
The 150 most traded stocks of the day
up to the closing on Wall Street.
The Associated Press.

| Stock | Dr | Yld | PE | High | Low | Close |
|-----------|--------|------|-------|--------|--------|--------|
| IBM | 128.00 | 4.00 | 15.00 | 128.00 | 127.00 | 127.50 |
| Microsoft | 56.00 | 3.00 | 18.00 | 56.00 | 55.00 | 55.50 |
| Apple | 45.00 | 3.50 | 12.00 | 45.00 | 44.00 | 44.50 |
| Oracle | 35.00 | 4.50 | 10.00 | 35.00 | 34.00 | 34.50 |
| Sun | 25.00 | 5.00 | 8.00 | 25.00 | 24.00 | 24.50 |

| Stock | Dr | Yld | PE | High | Low | Close |
|----------|------|-------|------|------|------|-------|
| Amazon | 1.00 | 12.00 | 1.00 | 1.00 | 0.90 | 0.95 |
| Alibaba | 0.50 | 15.00 | 0.50 | 0.50 | 0.40 | 0.45 |
| Google | 0.20 | 18.00 | 0.20 | 0.20 | 0.10 | 0.15 |
| Facebook | 0.10 | 20.00 | 0.10 | 0.10 | 0.05 | 0.08 |
| Twitter | 0.05 | 25.00 | 0.05 | 0.05 | 0.02 | 0.04 |

| Stock | Dr | Yld | PE | High | Low | Close |
|----------|------|-------|------|------|------|-------|
| LinkedIn | 0.02 | 30.00 | 0.02 | 0.02 | 0.01 | 0.02 |
| Slack | 0.01 | 35.00 | 0.01 | 0.01 | 0.00 | 0.01 |
| Zoom | 0.00 | 40.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dropbox | 0.00 | 45.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Evernote | 0.00 | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|------------|------|-------|------|------|------|-------|
| Netflix | 0.00 | 55.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Spotify | 0.00 | 60.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 65.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 70.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 75.00 | 0.00 | 0.00 | 0.00 | 0.00 |

NYSE

Tuesday's 4 P.M. Close
(Continued)

| Stock | Dr | Yld | PE | High | Low | Close |
|-----------|--------|------|-------|--------|--------|--------|
| IBM | 128.00 | 4.00 | 15.00 | 128.00 | 127.00 | 127.50 |
| Microsoft | 56.00 | 3.00 | 18.00 | 56.00 | 55.00 | 55.50 |
| Apple | 45.00 | 3.50 | 12.00 | 45.00 | 44.00 | 44.50 |
| Oracle | 35.00 | 4.50 | 10.00 | 35.00 | 34.00 | 34.50 |
| Sun | 25.00 | 5.00 | 8.00 | 25.00 | 24.00 | 24.50 |

| Stock | Dr | Yld | PE | High | Low | Close |
|----------|------|-------|------|------|------|-------|
| Amazon | 1.00 | 12.00 | 1.00 | 1.00 | 0.90 | 0.95 |
| Alibaba | 0.50 | 15.00 | 0.50 | 0.50 | 0.40 | 0.45 |
| Google | 0.20 | 18.00 | 0.20 | 0.20 | 0.10 | 0.15 |
| Facebook | 0.10 | 20.00 | 0.10 | 0.10 | 0.05 | 0.08 |
| Twitter | 0.05 | 25.00 | 0.05 | 0.05 | 0.02 | 0.04 |

| Stock | Dr | Yld | PE | High | Low | Close |
|----------|------|-------|------|------|------|-------|
| LinkedIn | 0.02 | 30.00 | 0.02 | 0.02 | 0.01 | 0.02 |
| Slack | 0.01 | 35.00 | 0.01 | 0.01 | 0.00 | 0.01 |
| Zoom | 0.00 | 40.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dropbox | 0.00 | 45.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Evernote | 0.00 | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|------------|------|-------|------|------|------|-------|
| Netflix | 0.00 | 55.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Spotify | 0.00 | 60.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 65.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 70.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 75.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|----------|------|--------|------|------|------|-------|
| Twitter | 0.00 | 80.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LinkedIn | 0.00 | 85.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Slack | 0.00 | 90.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Zoom | 0.00 | 95.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dropbox | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Stock | Dr | Yld | PE | High | Low | Close |
|------------|------|--------|------|------|------|-------|
| Evernote | 0.00 | 105.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Netflix | 0.00 | 110.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Spotify | 0.00 | 115.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SoundCloud | 0.00 | 120.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bandcamp | 0.00 | 125.00 | 0.00 | 0.00 | 0.00 | 0.00 |

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INTERNATIONAL INVESTING

Movie Mom's Fund Makes Companies Focus on Performance

By Adam Bryant
New York Times Service

NEW YORK — At the Reader's Digest Association's annual meeting late last year, Nell Minow, whose Lens fund owns more than \$8.5 million worth of Reader's Digest stock, spoke out about her fund's proposal to bring the company in line with others in the way it issues shares.

Most of the stock is held in a separate class by foundations. Ms. Minow argued that the foundations' aversion to risk had hampered the company, which while actually based in Chappaqua, New York, has nearly Pleasantville as its postal address.

Reader's Digest, she said, is years behind the rest of Corporate America.

"In a movie called 'Pleasantville,' two young people bring a black-and-white community stuck in 1958 into the world of modern reality and color," she said at the meeting.

"It is impossible," she continued, "not to think of that today as we visit Pleasantville, New York, to see whether it, too, will move beyond

the 1950s aura in which it seems to have been floundering."

The fund's proposal was later rejected. Nonetheless, the effort was a perfect opportunity for Ms. Minow to marry her two careers and passions.

By day — or three days a week, to be exact — she is the public face of Lens, an activist shareholder firm she co-founded in 1992 to invest in companies that are underperforming for reasons that she thinks it can change. Like a board that is reluctant to take drastic action because it is too cozy with management.

Ms. Minow is also known as Movie Mom. Since 1995, she has run a Web site (www.movie.com) on which she reviews current movies and suggests the best films for families. She has also written for such magazines as Parents, Family Fun and Child, and she has a book coming out in April, "The Movie Mom's Guide to Family Movies."

Lens, flush from successes in battles with companies like Sears, Roebuck & Co., Stone & Webster and Waste Management Inc., has posted an average annual return of 25 percent the

past six years. Lens recently doubled its size when Hermes Pensions Management of Britain announced it would join forces and invest \$100 million in the fund.

At Lens, the strategy for working with companies is fairly simple. After studying the corporation and its industry, Lens develops a plan to lift its performance. It then approaches the company with three options: deal with its plan, come up with a better plan or explain what is wrong with the fund's plan.

If Lens meets resistance, it will try to rally other large shareholders, using Ms. Minow's knack for sound bites to galvanize support.

"Nell finds the exact right words, something out of contemporary culture," said Robert Monks, Lens' other co-founder.

She has, for example, been known to cite the physicist Werner Heisenberg's uncertainty principle in comparing boards to subatomic particles. "They behave differently when they are observed," she said, "and my job is to let them know that I'm observing them."

She has also compared corporations to sharks: "No malevolence, no intentional harm, just

something designed with sublime efficiency for self-preservation, which is accomplished without any capacity to factor in the consequences to others."

Still, Ms. Minow has managed to win the respect of many executives of companies she has taken on. "She is somebody who is very clear about what she wants, very logical, very reasonable, but very determined," said Thomas Ryder, chairman of Reader's Digest.

For most people, holding down one job is tough enough. But for Ms. Minow, 46, her interest in movies has helped liven up the often rarefied world of corporate governance.

For instance, during one effort to persuade a board to see things her way, she told the directors: "Remember that scene near the end of 'Frankenstein,' when the people from the village storm the castle carrying torches? That's what the shareholders are going to do if you keep going in this direction."

She has often described chief executives who are in denial about poor performance as being like the Wizard of Oz, who says, "Pay no attention to the man behind the curtain." And after Sears reduced the number of its directors to rebuff an effort by Mr. Monks to join the board, she wrote a critical article about the company titled, "Honey, I Shrunk the Board."

She is also waiting — very patiently, mind you — for the day somebody calls her with a request to suggest movies for the ultimate corporate film festival. Her candidates include "The Solid Gold Cadillac," about a woman who with just 10 shares of stock topples a corrupt management; "Roger & Me," which chronicled General Motors Corp.'s layoffs in Flint, Michigan; "Wall Street," and — for its lessons on leadership for chief executives — "The Adventures of Robin Hood."

As worlds apart as her interests in movies and corporate governance may seem, there are many similarities, Ms. Minow said. Both movies and companies often start out with a grand vision, but for reasons that have long intrigued Ms. Minow, something often gets lost in the execution. So high-budget movies with brand-name stars and proven directors often flop, and boards and executive ranks are studded with well-qualified professionals who often fail to live up to their promise.

Ms. Minow received some early training in critical thinking from her parents. She and her two sisters were generally not allowed to watch television, but her mother and father were big movie fans and often gathered around the television Saturday night for the weekly Disney movie. Her father, in particular, was a tough audience. Newton Minow, a former chairman of the Federal Communications Commission, called television a "vast wasteland" in a famous speech in 1961.



Nell Minow has made it her job to study companies' boards: "They behave differently when they are observed, and my job is to let them know that I'm observing them."

During her university years she began watching an average of a movie a day on videotape, a habit she would maintain for the next 16 years, until her son was born. She has since cut back to about three a week. She often wrote essays with a movie playing. "Ideally, it was a movie I've already seen once," she said.

Ms. Minow, who has a law degree, worked for the Environmental Protection Agency and then the Office of Management and Budget, studying "implementation issues," or why good ideas and plans become subverted.

She met Mr. Monks, and he asked her to help him start Institutional Shareholder Services to advise pension funds on how to vote their corporate proxies on matters relating to shareholder rights.

Ms. Minow, a new mother at the time, told him she only wanted to work a few days a week, and he agreed with that. She kept the same arrangement when she left ISS as president and joined Mr. Monks to form Lens in 1992.

"Ironically, my decision to work three days a week has resulted in much more professional success than I would otherwise have had because I've had to think very creatively about my career," she said.

Room for Gains in European Markets

The successful introduction of the euro in January may have created the impression of a unified single-currency bloc. But the varied reaction to the economic crisis in Brazil has, at least for now, reinforced the notion that Europe is still the sum of its parts. Mark Howdle, head of European equity strategy for Solomon Smith Barney in London, spoke with Kenneth N. Gilpin of The New York Times on how Continental markets are headed.

Q: What is your view of European stock markets?

A: Equity markets are caught between a difficult real economic environment and a favorable interest-rate environment. By the end of the year, we think cheap money will have prevailed over recession and deflation fears. But it will be bumpy. We will have positive returns on equities, but not on the scale of the last four years, when they have been rising at more than 20 percent a year. This year we think stocks in the euro zone will rise about 9 percent.

Q: Where is the money going to come from to fuel stocks?

A: The mamas and papas of Europe have a ton of money in bank deposits, but not much in equity mutual funds. For every 12 euros they have on bank deposit, they have four in a mutual

fund. And only one of those four is in an equity mutual fund. Until three or four years ago, retail investors didn't trust equities. But since 1996, flows into equity mutual funds have increased sevenfold, to \$80 billion. But that is a small amount of the personal savings pool.

As far as where the money will be invested, we think there is going to be a lot of buying concentrated in the largest, most liquid stocks, issues like Royal Dutch/Shell, DaimlerChrysler, Deutsche Telekom, Nokia, ING and Unilever. I think the smaller markets on the fringe of Europe — Finland, Ireland and Portugal — have the potential for the biggest gains.

Q: What is likely to be the impact of events in Brazil on European markets?

A: Brazil is an early reminder that this is going to be a tough year for the economy, underscoring the likelihood that this will be the weakest year for global growth since 1982. German markets could be hit quite hard, not only because of the loan exposure of German banks but also because a number of their big industrial companies do a lot of business there.

Portugal has some exposure in Brazil. But the country with the highest and broadest exposure to Latin America is Spain, which may throw off some buying opportunities.

Very briefly:

• Zimbabwe's stock market stalemate continued for a third day Tuesday as brokers were to the exchange but refused to deal as part of a protest against a controversial new government tax. Brokers said. Protesters have been upset since last week about a 5 percent tax levied on the proceeds of selling securities as part of a 15 percent capital gains tax on securities announced in the 1999 budget. But the levy has not yet been collected and some brokers might fail if the government demands proceeds backdated to Jan. 1, traders said.

• Societe Generale, lead manager of Air France's initial public offering, took "warm-up" steps to generate investor interest Tuesday. The warm-up precedes the flotation's pre-marketing and book-building phases, which are designed to court institutional investors. The partial privatization is expected for the end of January or the beginning of February.

• Avonmore Waterford Group PLC, a dairy company based in Ireland, plans to change its name to Glanbia PLC in March to emphasize that it operates a large international business.

• Allegheny Teledyne Inc., a diversified U.S. manufacturing company, said it would spin off its aerospace and electronics unit and would also proceed with its previously announced spin-off of its consumer segment as part of a corporate restructuring effort in 1999. Bloomberg, Reuters

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ASIA/PACIFIC

Japanese Inventor Lights Way in Laser Race

By John Markoff
New York Times Service

NEW YORK — A lone Japanese inventor has outgunned some of the world's largest and most advanced high-technology corporations in the race to develop a new generation of short-wavelength lasers. The achievement is likely to hasten the introduction of high-definition digital video disks, higher-resolution laser printing and inexpensive and highly efficient light-bulbs for use in the home.

The inventor, Shuji Nakamura, is a semiconductor researcher who has worked for more than a decade in relative isolation and has excelled in finding innovations in material science.

Last week his small company, Nichia Chemical Industries, announced that it had begun shipping samples of violet lasers to a variety of companies planning to develop prototype products. The lasers have a life span of 10,000 hours, the level of reliability required by consumer electronics companies.

Such short-wavelength lasers, in the blue and violet part of the spectrum, have been pursued for years by companies including U.S. and Japanese giants like Minnesota Mining & Manufacturing Co., Hewlett-Packard Co., Sony Corp. and Toshiba Corp. In digital storage such

an advance is particularly impressive because each time the wavelength of laser light is halved, the beam can then store four times more data.

That the race has so far gone to Nichia is a payoff for its long-term investment in pursuing this technology, which many corporations deemed a high risk.

But it may also indicate how Japanese and U.S. companies have reversed roles in recent years. Officials of U.S. companies said Monday that they still thought they could win the race to incorporate the technology into products and bring them to market first. From the 1950s through the 1970s Japanese companies successfully commercialized technologies invented in the United States.

The commercial application of the new lasers is expected to have substantial impact. For example, they will make possible high-definition digital video disks, or HD DVDs, a step beyond the current digital video disks. The new compact disk-size players will deliver HDTV-quality movies, concerts and stage presentations. In addition, music publishers could publish entire anthologies on a single HD DVD, carrying more than a dozen hours of music on each side.

Besides DVD applications, Mr. Nakamura said that the violet semiconductor lasers would enable a new generation of digital tape re-

orders that will be similar to today's VCR machines but able to store high-definition video images.

While the most sought-after commercial applications for short-wavelength lasers are in the area of digital storage, there are a wide range of other practical uses, ranging from laser pointers with twice as much resolution as today's best-quality products to a new class of household lighting that could be two to 10 times more energy-efficient than today's fluorescent and incandescent lightbulbs.

The next barrier will be reducing the cost of producing the lasers and devising technical standards that will provide compatibility with existing applications.

Mr. Nakamura first burst onto the scientific stage in November 1993 when Nichia announced that he had succeeded in fabricating a bright blue light-emitting diode, another kind of widely used light source. His advance came just two years after IBM decided to scale back its effort in laser research.

On Monday, IBM researchers said they were impressed by the Nichia achievement.

"I'd call it a piece of technical work that is absolutely remarkable, and it stands on its own," said Bill Lentz, manager of science and technology at the IBM Almaden research laboratory in San Jose, California.

To Survive, Japan Banks Plan Merger

Compiled by Our Staff From Dispatches

TOKYO — Mitsui Trust & Banking Co. and Chuo Trust & Banking Co. agreed Tuesday to a 304.4 billion yen (\$2.7 billion) merger, a move they said would enable them to cut costs and survive a shakeout in the Japanese financial industry.

After the merger, the new bank, to be called Chuo Mitsui Trust & Banking Co., will be the top Japanese trust bank, with combined outstanding assets on trust accounts of 45.6 trillion yen and 170 branch offices.

Under the deal, one Mitsui Trust share will be worth 0.3 Chuo Trust shares, the banks said, giving Chuo Trust the upper hand in the deal. The president of the new bank will be from Chuo Trust and its chairman, a less powerful position, will be from Mitsui Trust.

The banks said they expected to save 40 billion yen in annual costs, in part by cutting 2,000 jobs, or a fifth of their combined work force.

Financial sector deregulation has broken down the barriers between the roles of different Japanese financial institutions, bringing on tougher competition. Many banks are expected to either consolidate or close.

"Many trust banks are being forced to take drastic action as the significance of their trust banking business is disappearing after the barriers dividing financial institutions are lowered because of Big Bang," said Junji Ota of Okasan Research Institute.

Sbozo Endo, president of Chuo Trust, put it more bluntly: "I don't care how many banks survive. I'm only interested that we survive."

Mitsui Trust is by far the larger of the two banks and ranks as the third-largest of Japanese trust banks, which are in charge of managing pension funds.

The merger puts pressure on the five remaining trust banks, including the biggest, Mitsubishi Trust & Banking Corp., to restructure their own businesses to remain competitive. (Bloomberg, AFP)

Investor's Asia

| Hong Kong Hang Seng | Singapore Straits Times | Tokyo Nikkei 225 |
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| 10000 | 1400 | 16000 |
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| 4000 | 500 | 10000 |
| 3000 | 350 | 9000 |
| 2000 | 200 | 8000 |
| 1000 | 50 | 7000 |
| 0 | 0 | 6000 |

Source: Reuters

Very briefly:

- Nissan Motor Co. is prepared to let a foreign rival take a controlling stake, the company president, Yoshikazu Hanawa, said. The willingness to cede control would make the No. 2 Japanese carmaker more attractive to Renault SA and DaimlerChrysler AG, which are seeking to invest in Asia.
- China will limit production and imports of iron and steel to help the domestic industry, which has been plagued with oversupply and price drops, according to the official Xinhua press agency.
- China Southern Airlines Co., one of China's biggest carriers, will post its first annual loss in two decades amid slumping demand and rising competition. The company also said the strengthening yen was increasing its debt costs.
- Hong Kong Telecommunications Ltd. said it had 80,000 video-on-demand customers and 20,000 waiting to be connected, almost one year after introducing the service.
- ITC Ltd.'s third-quarter profit rose 16 percent, to 1.36 billion rupees (\$32 million), on stronger sales of its higher-priced cigarette brands. Sales before excise duties fell 4 percent, to 8.38 billion rupees, as rising vegetable prices cramped demand for inexpensive cigarettes. ITC controls 70 percent of the \$2 billion Indian market.
- Mahanagar Telephone Nigam Ltd. of India postponed until Jan. 29 a decision on whether to buy back 30 million shares from the government. (Bloomberg, AFP)

China's Debt Crisis Ripples Beyond Guangdong

Compiled by Our Staff From Dispatches

SHANGHAI — China's financial strains appeared to be rippling through the economy Tuesday as more firms struggled to repay debts and avert bankruptcy.

Guangdong Overseas Chinese Trust & Investment Corp., a medium-sized trust firm, said it was talking with foreign banks after failing to repay a \$50 million syndicated loan, but it denied it was in default.

It is one of a series of companies based in the southern province of Guangdong to report debt problems since China shut the much bigger Guangdong International Trust & Investment Corp. in October.

But the debt troubles now have spread beyond southern China.

The Hong Kong-based trading

company owned by Hubei Province filed for liquidation in Hong Kong courts Tuesday. Yi F Trading Co., an import-export concern owned by Hubei International Trust & Investment Corp., filed for liquidation in Hong Kong Jan. 12 to be its provisional liquidator, said Bachelou Sou, the partner in charge of the liquidation.

Separately, Dalian International Trust & Investment Corp., an arm of the local government in the northern city of Dalian, said it had missed payments on some loans to foreign creditors.

An executive in the company's finance department, who gave his name only as Zhang, declined to comment on the total amount of the company's outstanding debt.

Dalian's payment delay, just days

after a court formally accepted Guangdong International's bankruptcy filing Saturday, underscores the growing concern over loans to investment companies across China.

Three Hong Kong banks — Bank of East Asia Ltd., Dao Heng Bank and International Bank of Asia — said they would write off all of their more than \$245 million of debts to Guangdong International.

Analysts said the write-offs would savage 1998 profits at the banks, which also face rising loan defaults in Hong Kong, a city battling its deepest recession in a generation. And with the other Chinese investment companies that are missing loan payments or filing for bankruptcy, few see things improving soon.

China's investment companies

— known as "lics" from their official designation as international trust and investment companies — were launched in the late 1970s to bypass the country's banking system and allow local governments easier access to investment.

They expanded rapidly and were soon, according to the government, part of the reason for China's average economic growth of 9 percent annually over the past two decades. By the 1990s, the country had nearly 240 such companies.

But as economies across Asia slipped into recession in 1997 and banks tightened or halted lending, the liccs, which often used short-term borrowings to pay long-term debt, began to have trouble making ends meet. (Reuters, Bloomberg)

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For information please contact:
Katy Hour: Fax (33-11) 43 92 12 or e-mail: fund@hlt.com

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SPORTS

IOC Scandal Claims First Casualty

Finnish Member Quits as Ex-Husband's Salt Lake City Link Emerges

By William Drozdiak
Washington Post Service

LAUSANNE, Switzerland — The International Olympic Committee suffered its first casualty from the bribery scandal surrounding the 2002 Winter Games in Salt Lake City when a Finnish member resigned Tuesday in the wake of charges that her former husband was employed by the organizing committee.

Pirjo Haeggman, a physical education teacher and former Olympic sprinter, told the IOC president, Juan Antonio Samaranch, that she was withdrawing from the committee even before an investigation had completed its review of whether some members had violated their oaths by taking favors from Salt Lake and possibly other cities seeking to stage the Olympics.

Haeggman said she was stepping down to put an end to her controversy but denied that she had broken IOC rules, which insist that members keep themselves free from any political or commercial influence.

Her resignation was immediately accepted by Samaranch, who thanked her for her services to the Olympic movement.

Haeggman is one of 13 IOC members accused of accepting cash, medical care, scholarships and other goods and services worth more than \$600,000 from Salt Lake City promoters. The IOC's executive board will review the charges at a special meeting here this weekend and decide which cases may warrant expulsion from the 114-member committee.

IOC officials said all of the accused had responded to letters seeking explanations for their behavior. They will have the chance to appear personally before the executive board Saturday to give their version of events before final judgments are made public Sunday night.

Haeggman said she was not aware that her former husband, Bjorne, worked for a short time as an environmental consultant with the Salt Lake organizing committee. But when they were still married nine years ago, he also accepted a government forestry job in Canada, and the couple lived in free housing for 20 months in a deal arranged by people involved with the bid by Toronto to hold the 1996 Summer Games.

As the biggest corruption scandal in Olympic history gathers momentum, the IOC has expanded its investigation beyond Salt Lake and urged other cities involved in bidding for the Games to step forward with any hard evidence of unethical behavior by its members.

Two of the more powerful figures among the 13 accused of wrongdoing hit back Tuesday, saying the charges against them were politically motivated by their IOC foes.

Kim Uo Yong of South Korea, an IOC executive board member, denied bribery allegations and said they were being spread by those who wished to block his announced intention to succeed Samaranch as IOC president when he steps down after reaching the mandatory retirement age of 80 within two years.

Vitali Smirnov, the head of Russia's Olympic Committee, said he was not guilty of any illicit dealings after being asked to clarify two contacts with the Salt Lake organizers. He said one charge involved his effort to get urgent medical treatment in Salt Lake for a Russian ice

hockey player, which he defended as a humanitarian gesture in the name of Olympic solidarity. He also denied reports that his son's education had been financed by Salt Lake advocates.

Samaranch Took Nagano Gift

Backers of Nagano's bid for the Winter Olympics gave Samaranch an expensive samurai sword before the city was chosen. The Associated Press reported Tuesday, quoting the head of the bidding committee.

The disclosure came a day after Nagano's mayor, Tasuku Tsukada, said the bidders also gave an IOC official, whom he did not identify, a painting worth thousands of dollars.

News of the gifts have surfaced since the Salt Lake City scandal fueled questions about possible vote-buying during Nagano's successful bid for the 1998 Winter Games.



Scottie Pippen, who is following Michael Jordan out of Chicago.

When the Dust Settles, Pippen Will Be a Rocket

The Associated Press

NEW YORK — All sorts of deals are being made, from Scottie Pippen heading to the Houston Rockets to Latrell Sprewell going to the New York Knicks.

Those transactions should be completed as soon as the National Basketball Association lockout settlement is put into writing and signed. NBA

NBA

Teams were told Tuesday that training camps would not open until Thursday at the earliest, but that did not stop teams from moving ahead with plans to reshuffle players in anticipation of the season's start Feb. 5.

The Chicago Bulls agreed to a sign-and-trade deal sending Pippen to the Rockets for forward Roy Rogers and a

second-round draft pick, and the Knicks were set to acquire Latrell Sprewell from Golden State for John Starks and Chris Mills, league sources said. Also, Antonio McDyess, the top free agent, was expected to choose between Denver and Phoenix. These other moves were also anticipated.

Minnesota, Toronto and Denver agreed on a three-way trade sending guard Chauncey Billups to the Nuggets, center Dean Garrett and guard Bobby Jackson to the Timberwolves and guard Michael Williams and two No. 1 picks to the Raptors.

The Bulls signed and traded guard Steve Kerr and center Luc Longley, with Kerr going to San Antonio and Longley headed to Phoenix for forward Martin Mourssepp, forward-center Mark Bryant and guard-forward Bubba Wells.

New Jersey acquired center Jim McIlvaine from Seattle for forwards Michael Cage and Don MacLean.

The Yugoslav center Vlade Divac agreed to a six-year contract with the Sacramento Kings.

All of those deals could not be completed until league and union lawyers put the labor settlement into writing. In addition, both sides are trying to resolve several differences that have arisen. The biggest disagreement concerned the new average salary exception, which allows teams already over the salary cap to sign an extra free agent. The union wants the exception to be used for six-year contracts. The league wants it limited to three-year deals.

The Bulls will sign Pippen to a deal worth \$67.2 million for five years before trading him. The acquisition of Pippen should clear the way for Charles Barkley to re-sign with Houston for the \$1 million minimum, giving the Rockets a formidable front line of Barkley, Pippen and Hakeem Olajuwon.

"I am excited about my new career in Houston, and even though everything seems to be changing, I hope Bulls fans everywhere will understand that it is time for a new era to begin in Chicago," Pippen said.

New Guys Pay Off Fast for Vancouver

The Associated Press

The Pavel Bure deal is already paying off — for the Vancouver Canucks.

While the Florida Panthers wait for Bure to join them, the Canucks used a couple of players acquired in the seven-player blockbuster trade to beat the Dallas Stars, 5-3, on Monday night.

"The new players gave us depth more than anything else," said the

NHL Roundup

Canucks' coach, Mike Keenan. Specifically Dave Gagner and Ed Jovanovski. Gagner assisted on Vancouver's first two goals, and Jovanovski moved into the No. 1 defensive pairing for the Canucks.

"I was very nervous before the game," Gagner said. "When we got a couple of goals in the first period, that made it easier to relax."

Gagner centered a line with Markus

Nashund on the left side and Bill Muckalt on the right, and both had goals.

Trent Klant's goal early in the second period broke a 2-2 tie, then Alexander Mogilny added a power-play goal late in the period to key the Canucks' victory.

San Jose 4, Panthers 0 In the meantime, the Panthers had their problems. Dominik Hasek stopped 33 shots for his eighth shutout of the season, leading the visiting Sabres to victory.

Hasek, also the league leader in victories (22) and save percentage, recorded his 41st career shutout to help the Sabres snap a four-game winless road streak (0-2-2).

"I guess we got some superstar coming in and all of a sudden everyone thinks the pressure is off everyone else," said Florida's Dino Ciccarelli.

Bure, who was traded to Florida on Sunday, was en route to New York from Moscow and was expected to

join the Panthers this week.

Buffalo 3, Predators 1 Peter Ferraro set off both of Steve Heinze's second-period goals to break open the game as the Bruins routed the visiting Predators.

Calgary 4, Canadiens 4 Peter Bon-drage's 300th NHL career goal midway through the third period lifted the Capitals to a tie with the Canadiens.

Hurricanes 4, Maple Leafs 2 Gary Roberts scored two second-period goals, and Ron Francis had three assists as the Hurricanes beat the visiting Maple Leafs.

Flyers 5, Senators 0 John Vanbiesbroeck stopped 36 shots as the visiting Flyers gained their fifth shutout in six games.

Mighty Ducks 5, Penguins 3 Marty McInnis scored twice and Fredrik Olausson extended his goal-scoring streak to five games as the Mighty Ducks beat the visiting Penguins.

In Hopes of Playing, They're Putting Their Legs in the Hands of Surgeons

International Herald Tribune

YORK, England — Sportsmen and women who push the boundaries of human performance are natural guinea pigs for surgeons pushing the boundaries of medicine. The attraction is obvious: A player who breaks down will try anything to recover and an orthopedic pioneer could not ask for a more willing, conditioned and often courageous patient.

Two soccer players, their careers jeopardized, embody this joining of performing and medical skills. Christian Wuck anxiously awaits keyhole surgery on Thursday to determine whether the transplant into his left knee of a dead man's cruciate ligament can save a career that has spanned 153 matches in Germany's Bundesliga.

In England, Ryan Carmody is to undergo left knee surgery combined with having his thigh bone reduced by 3 centimeters (1 1/4 inches) because the left leg is longer than the right. With luck and perseverance, Ryan will re-emerge as a 5-foot-11-inch pro fit for a playing lifetime rather than the 6-footer

whose sporting ambitions are ruined.

Wuck and Carmody have the same impulse — to trust doctors who offer hope. The German is more advanced: He is 25, an established professional of sporting middle age operated on in Belgium, where the donor was a 50-year-old heart attack victim.

Carmody is a comparative baby. He was 17 and in the act of scoring his first goal under apprentice contract, when the meniscus, cartilage in his knee snapped. He has lost a year but, after two eminent surgeons told him nothing could restore him, he has found a specialist who gives him, in writing, a 70 percent chance of full recovery and the prospect of playing for a decade.

"There's no way I am giving up," Carmody said. "If necessary, I would raise the money myself and give it to Mr. Stover. I look up to him. He's got the courage to go for it." Dr. Angus Stover is the surgeon who will perform the operation.

Ryan's parents, Bev and John, are licensees of a pub near the medieval walled city of York and, inspired by their

European Soccer/ROB HUGHES

son, talked of selling the family home to help pay the anticipated £10,000 (\$16,000) cost of the operations.

It is not needed. The Professional Footballers Association, the trade union of English players, on Monday stepped in to promise to do everything possible to give Carmody his chance of return as a player, at no cost to himself or his family. Moreover, the union persuaded him to begin a college education during the year of surgery and rehabilitation.

CARMODY, while no World Cup prodigy like Michael Owen, is already a veteran of human kindness in soccer. At Lincoln City, the club where he began as a Government Training Scheme apprentice, the physiotherapist Keith Oakes worked daily, in season and out, to help Carmody maintain upper-body fitness.

Two players, scarcely a year older than Ryan and on marginally better

salaries, helped him financially. Others encouraged his dogged, almost obsessed determination to defy the odds. And family friends eased the burden of trying to live away from home on barely sufficient income.

They saw, all those good-hearted folks, the extraordinary willpower of Ryan Carmody. In the world of soccer, so often portrayed as arrogant and over-rewarded, this polite youth simply would not give up what he had set his heart on from the age of eight.

"Ryan was the fastest thing on two legs," said his father, who once was a semi-professional player. "He played in an age group two years older than him and always scored goals."

The goal that ruined his Lincoln aspiration was a beauty. "I saw the full back try to clear the ball, and blocked that," Ryan said. "The ball spun up and my first touch took me inside the full back." From 20 yards, he shot, right footed, high into the net. But the

studs of his left boot caught in the turf. "I felt a click in the knee," he said. "I turned to walk away, but I just collapsed. My teammates were jumping on me, congratulating me, and I was shouting: 'My knee! My knee!'"

With no one to blame, just a moment of capricious fate, he began what was expected to be four to six weeks' nursing of the knee. It went on and on. He could run in a straight line, could lift weights all day long, even shoot. But he couldn't twist and turn. Last summer, eight months after the injury, he played a match, played well. And five hours later the knee ballooned up.

A month after that, the first specialist to advise him to quit suggested that the meniscus cartilage — a fibrous cushion that prevents the femur bone of the thigh and the tibia of the lower leg from grinding — was completely lost. He began chiropractic treatment for backache from the discrepancy of his leg measurements.

His best friend in soccer had retired, at 17, through back trouble to become an electrician. His brother Michael, 20,

was forced out of the sport through foot injury and was working in the pub. And Ryan? Still defiant, still dedicated, still persuading people to respond to his refusal to give up.

He is not the first. Roberto Baggio, Raul Gullit and Paul Gascoigne are great names who came through operations that some experts deemed inadvisable. John Salako has played, on and off, almost 10 years since he flew from London to California for a transplant of dead man's tissue similar to the Belgian operation on Wuck.

Within two weeks, Carmody will take his turn. The thigh bone will be cut and pinned. The knee will be reconstructed either by a donor implant or by grafting tissue from his quadriceps tendon or hamstring. The rest will be a partnership of faith and application between player and surgeon.

"I'm really pleased," said Carmody. "Mr. Stover can't guarantee it, but this is the chance I wanted."

Rob Hughes is the chief sports correspondent of The Times of London.

DENNIS THE MENACE



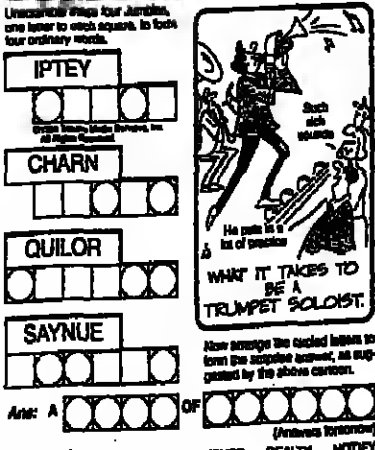
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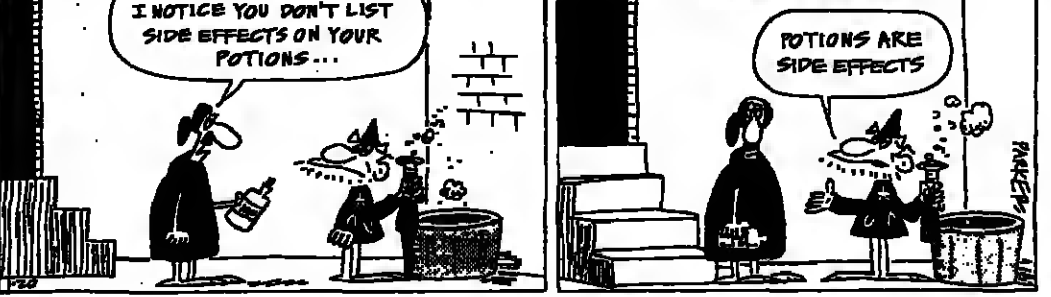
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POSTCARD

Electronic Neighbor

By Jo Thomas
New York Times Service

NEW YORK — In the national radio ocean of wisecrack and punditry, canned music and network news, Delilah surfaces night after night with a voice that is altogether different.

From Los Angeles to Long Island, from Jacksonville, Florida, to Bangor, Maine, the new queen of nighttime radio cuts through the loneliness of traffic jams and dinner dishes, playing requests and sharing stories and feelings, everything but her last name, with listeners. She has 1.2 million a week, her syndicators say, and she invites them to share, too. By the thousands, they do.

On and off the air, she is the friendly next-door neighbor with time to talk over a virtual backyard fence. She is no doctor; she's the first to say she is not a counselor, licensed or otherwise. But she is more than a disk jockey taking dedications. And although digital technology helps her sound local, her studio is in Seattle.

Her two-year-old show is carried by 176 stations five evenings a week from 7 to midnight, with a recorded reprise on Sundays. "People guess it's not local because they hear the Southern callers," concedes Jill Dedrick, who screens the calls. (Some 100,000 times a night, people try to get through.) Dedrick, 23, talks to 150 callers each night and passes along the 25 who get on the air. Most of them want to talk about love, good or bad, found or lost, double deal or sacrificed. Delilah tapes and edits their conversations, finds their requests and puts them on the air.

Delilah, 38, has heard most of it before. She grew up in

Reedsport, Oregon, she said, in a family of four children with an alcoholic father and "a classic, raging co-dependent" mother. "They had an abusive marriage, with a lot of physical violence," she recalled. She graduated from high school with honors, but left home the night of her graduation party, after her parents locked her out.

"I left home thinking I would escape the insanity," she said. "Little did I know I would become the insanity. When you're raised where deceit is the norm, you don't grow up normal. You develop survival skills that numb the pain, but eventually end up killing you." She developed an eating disorder, "then I repeated my parents' marriage."

She started her current show in Rochester, New York, in February 1996. Broadcast Programming began syndicating it at the end of that year. She moved back to Seattle, and by January 1997 had 12 stations. The target was the 25- to 54-year-old women who listen to adult contemporary music.

"Delilah broke all the rules," said Jim LaMarche, senior vice president for sales at Broadcast Programming, a radio consulting company, and director of its broadcast division, which also produces "Neon Nights," a country music show.

Station managers, who tend to be men, resisted her at first, LaMarche said. But by the end of her first year, Delilah had 70 stations.

She explains her appeal this way: "People are people. Even though you can fax someone across the world, and they can e-mail you, it seems communication is less and less effective. I try to encourage people to form relationships."

Happy Ending for Opera's Romeo and Juliet?

By Alan Riding
New York Times Service

NYON, Switzerland — Before they met in the early 1990s, Roberto Alagna and Angela Gheorghiu were well on their way to promising careers as opera singers. As a couple, though, they had something extra to offer: a touching love story for the gossip columns and an off-stage passion to bring alive their on-stage trysts.

At least when they cry or die in, say, "La Bohème," they really seem to love each other. Naturally, it has helped enormously that Alagna, 35, is a lyric tenor and Gheorghiu, 33, is a lyric soprano. Many of the best opera roles and most hummable arias are written for such voices. If they wanted to (although they say this is not their intention), they could even plan their careers almost entirely around performing with each other. As it is, in the 30 months since they married, they have frequently recorded and appeared on-stage together.

Yet being a husband-and-wife team in opera is not proving easy, at least not if you are a moody Sicilian-French tenor and a fiery Romanian-born soprano. They like to work in tandem to get their way, but the very chemistry that binds them and excites audiences has had the effect of irritating a good many power brokers of the opera world. Their admirers hope they will grow into a duo as memorable as Luciano Pavarotti and Joan Sutherland. For the moment, though, they are better known as envious rivals.

Last April, Joseph Volpe, general manager of the New York Metropolitan Opera, abruptly drew a contract for them to appear in Franco Zeffirelli's new production of "La Traviata." Jonathan Miller, who has directed them separately, has nicknamed them opera's "Bonnie and Clyde." Wags at Covent Garden call them "the Ceausescus," a less than friendly reference to the deposed Romanian dictator and his wife.

For all that, though, they are still very much in demand, which says something about their talent and appeal. Starting Jan. 23 they will be singing in five performances of Gounod's "Romeo et Juliette" at the Lyric Opera in Chicago. In March they are to sing Mascagni's "Amico Fritz" in Monte Carlo, and to May they are to perform in a duo recital in Paris.

The Met also wants them back. They are expected to do "L'Elisir d'Amore" together there late in 1999. Alagna is to do "Carmen" and Gheorghiu "Turandot" at the Met in late 2000, and they are both to sing Act III of "Rigoletto" in a gala evening that will open the 2001 season, followed a few days later by "La Bohème."

Still, they seem to recognize that they have something of an image problem: if not with the public, at least with some opera managers. That perhaps explains why they cracked open a bottle of Champagne for a visitor to their comfortable home overlooking Lake Geneva before their trip to the United States. They feel a tad misunderstood, they said, and they wanted to explain themselves.

"If you are unsuccessful, you don't have this problem," Alagna said, speaking urgently as if still bruised by criticism. "From the moment you are successful, people begin to gossip: not the public, but the small circles of opera. Why do people still talk about the fight between Maria Callas and Rudolph Bing at the Met? Because they were Callas and Bing. Now instead of welcoming two young singers, people invent, they titillate, they exaggerate everything we do."

Alagna conceded that he upset managers by canceling some engagements, but he said he had good reasons. "My first wife was ill for 18 months before she died in 1994," he said. "During that time I didn't cancel one show because singing was my way of forgetting what was happening in reality. I signed every contract. I did 80 performances a year. I was exhausted."



Roberto Alagna and Angela Gheorghiu in Chicago.

When I met Angela and she saw my program, she said I was crazy. I had to reduce the load to keep sane."

Even before his much-vaunted and less-than-triumphant debut at the Met in April 1996, experts were warning this stocky former cabaret singer that he was working too much, risking damage to his voice at an early stage of his career. Opera managers, of course, were not amused by last-minute cancellations by a young crowd-pleaser who was being heatedly promoted by his record company as "the fourth tenor."

Today the couple's moments of notoriety are more a function of the complex power structure of the opera world. Young singers must compete fiercely for major roles and have little say over the productions in which they appear. At the other extreme, the likes of Placido Domingo and Pavarotti can more or less define the terms under which they perform. Alagna and Gheorghiu are now at a halfway stage: They want their views to be heard, but they still face resistance.

If you have a conductor who loves you, who loves the voice,

who understands what you want to do, that's O.K.," Gheorghiu said. "But if you have someone who says, 'You do it like this,' with no explanation, it's a problem. Sometimes we are forced to, but it is not our interpretation."

Alagna chimed in: "There are conductors who take themselves for Napoleon. The conductors say they are in charge, only they are right. I think that in every area there should be discussion. If there is a dictatorship, every one works at 50 percent capacity."

Decor was apparently a factor in Volpe's decision to withdraw the contract for the couple to appear in "La Traviata" at the Met. He said he had shown them the production sketches but had also given them a deadline to sign their contracts. Alagna said he declined because he did not want to be away at that time from Ornella, his 7-year-old daughter from his first marriage, but he also criticized the set proposed for Act II. And he may have been right. Zeffirelli's production was savaged by New York critics.

For the moment the couple have not insisted on performing together, they said, partly because opera managers would probably refuse, partly because they both have their own favorite operas. But it suits them when opera houses bring them together.

"We have joint careers, and we also have separate careers," Alagna said. "But above all we want to be together in life because otherwise this job isn't worth doing. We get invitations to sing every day, but we say no more often than yes. We try not to be apart for more than two weeks at a time because we love each other."

Their decision to live in this sleepy town rather than Paris, London or New York reflects a desire for a private life, "to be able to go out to the shops without being bothered," as Alagna put it. And close friends say Nyon has soothed the couple: They are more relaxed as artists and have even learned to laugh at themselves.

PEOPLE

GET ready for some more animated dysfunction, courtesy of the creator of "The Simpsons." Matt Groening's new cartoon series, "Futurama," is to make its debut this spring on the Fox television network. It features a pizza delivery boy named Fry who gets inadvertently frozen in a cryogenics lab on New Year's Eve 1999 and wakes up 1,000 years later. Groening gave Wired magazine a description of the show's theme: "If you are a loser, is it possible to reinvent yourself? How do you deal with the desire for youth, for the return of dead loved ones, and what does it mean to be finite in the universe? Boy, is this too pretentious or what?"

France has bestowed the Legion of Honor on a 99-year-old Thai veteran of World War I, the French Embassy in Bangkok said Tuesday. Gerard Coste, the French ambassador to Thailand, awarded the medal to Yod Sangrungruang, the sole surviving member of the 1,284 Thai soldiers who served in Europe as part of the Royal Thai Ex-

peditionary Force. He was an airplane mechanic with the French military.

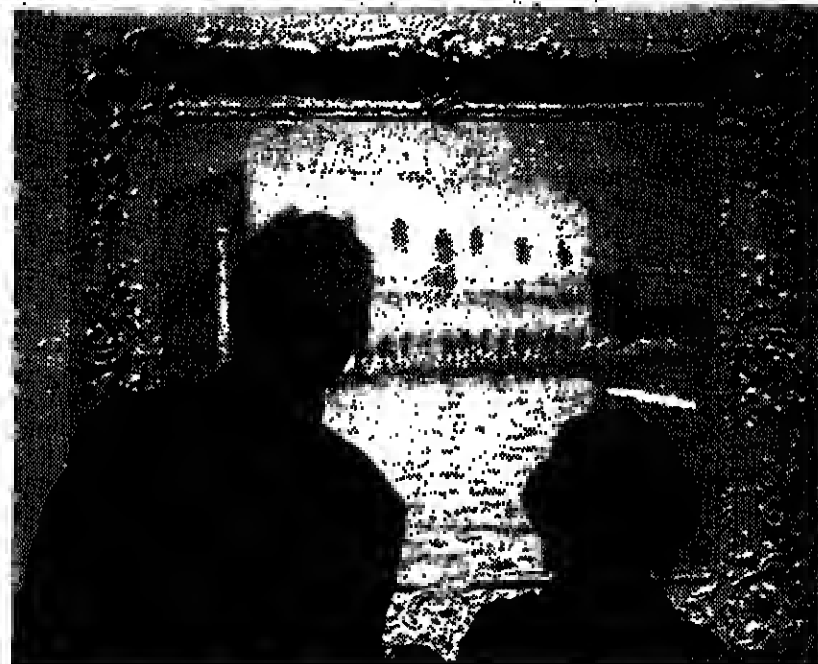
The Swedish stage and screen legend Ingmar Bergman is to return to the stage to direct August Strindberg's "The Ghost Sonata" at the Royal Dramatic Theater in Stockholm. A definite date was not given for opening night.

Last year, Bergman staged "Bildnarna" (The Image Makers) by Per Olov Enquist.

And the winner is "Ulysses." That was the decision of the 47 literary critics and writers asked by the British bookseller Waterstone's to choose 10 essential classic novels from any century

that were likely to survive the next millennium. Finishing in a tie for second to James Joyce's masterwork were "The Great Gatsby" by F. Scott Fitzgerald and "Remembrance of Things Past" by Marcel Proust. These were followed by Virginia Woolf's "To the Lighthouse" and George Orwell's "1984."

A mysterious stranger in a three-quarter-length black coat left roses and Cognac at the grave of the poet and writer Edgar Allan Poe in Baltimore on Tuesday, continuing a tradition that began 50 years ago. About a dozen people waited inside and outside Westminster Church for the visitor to arrive at the brick-walled cemetery just before 3 A.M. The identity of the first mysterious visitor has remained a riddle since the ritual began in 1949, a century after Poe died. The visitor believed to be the original carried on the tradition until 1993, when he left a note saying, "The torch will be passed." His followers are carrying on the tribute, said Jeff Jerome, curator of the Edgar Allan Poe House and Museum.



MONET FEVER — Two visitors Tuesday examining one of the 80 Monets on show at London's Royal Academy of Art, which said it may have to stay open 24 hours a day to deal with the demand for tickets.

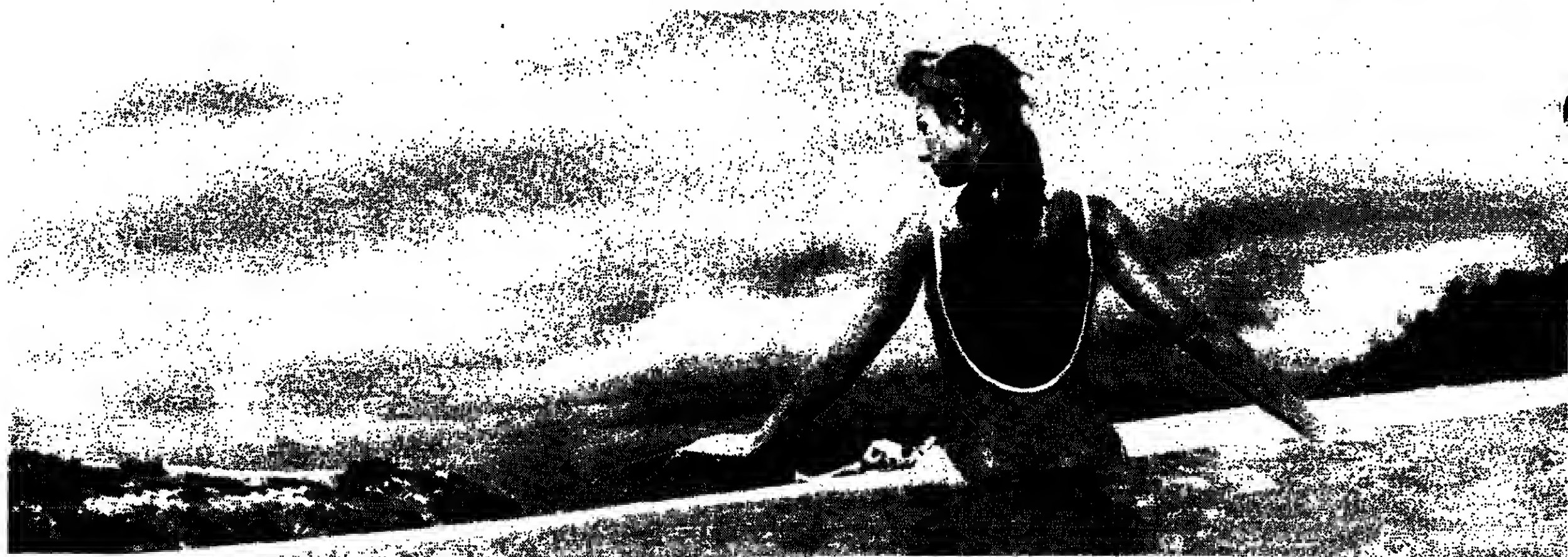
Jagger May Try a Novel Approach to Divorce

The Associated Press

LONDON — Mick Jagger's publicity agency has come up with a novel argument to contest Jerry Hall's divorce petition. The couple was never legally married.

Although LD Publicity has offered no further details on its approach, the Press Association reported that it relates to Jagger's contention that the marriage at a Hindu wedding ceremony in Bali in Indonesia was not legal. Jagger's lawyers are expected to argue that the religious part of the ceremony was completed but not the civil part, and that consequently the marriage is not legally recognized in Indonesia and so cannot be recognized in Britain.

Though their wedding took place in 1990, Jagger and Hall have been together for 21 years and have four children: Elizabeth, 14, James, 13, Georgia May, 6, and Gabriel, 1.



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